



October 1989 Monthly Survey

November 8, 1989

Surveys of Consumers

Richard T. Curtin, *Director*

The Confident Consumer

Slight Decline in Index Following Strong Gain

The Index of Consumer Sentiment was 93.9 in the October 1989 survey, down from 95.8 in September. The small October decline of 1.9 index-points was not surprising following the 6.2 index-point gain recorded in September. Overall, the October 1989 reading was above the third quarter average of 92.5 and nearly equal to the year earlier reading of 94.1.

Among families with incomes of \$40,000 or more, the Index of Consumer Sentiment was 103.6 in October, slightly ahead of the 103.0 recorded in September, and nearly identical with the 103.7 recorded in October 1988.

Confidence Perseveres at High Levels Throughout Long Expansion

Since the cyclical peak was reached at the start of 1984, the Index of Consumer Sentiment has averaged 93.9, with the October 1989 survey equal to that average. Moreover, the Index has shown relatively small quarter-to-quarter variations throughout this period. From the first quarter of 1984 through the third quarter of 1989 the Index ranged between 99.5 and 90.5, except for the fourth quarter of 1987 when the stock market crash temporarily depressed the Index to 86.4.

This remarkable record is in sharp contrast to the decade of the 1970s, when the Index never

exceeded the average recorded during the last five years, and was dominated by wide swings rather than the present stability.

Attitude trends during the current expansion are more comparable to those recorded during the 1960s. Although the 1960s are remembered mainly for the robust expansion in the first half of the decade, during the mid 1960s, as now, the economy experienced a significant slowdown in economic growth. And then as now, changing credit conditions play a key role in shaping consumer behavior.

While the prolonged maintenance of consumer confidence at high levels is certainly a welcome development, that consumer confidence has remained relatively unchanged for so long has diminished its stimulative impact on spending behavior. The most stimulative impact stems from repeated and cumulative improvements in consumer attitudes and expectations. While the maintenance of attitudes at high levels in no way augurs a recessionary decline in spending, neither does it provide the support for continued increases.

Consumer spending during the year ahead will continue to provide an underlying source of strength for the economy. Sales of homes and vehicles, however, will continue to be sluggish, with unit sales falling slightly below the year earlier levels. Interest rate developments will play an important role in shaping the timing and determining the extent of these purchases.

Friday the 13th: Quickly Dismissed

The steep plunge in stock market prices recorded on October 13th had a significant, but short-lived, impact on consumer expectations. Interviews conducted from Friday the 13th to Monday the 16th reflected the news of the steep market plunge. The Index of Consumer Sentiment dropped sharply during that weekend, but quickly rebounded during the following week. Like the plunge in stock market prices in 1987, the entire concern was focused on prospects for the general economy, not on personal finances.

Leading Indicator Maintained At Elevated Level

The Index of Consumer Expectations was 87.2 in the October 1989 survey. Although this was somewhat below the 88.6 recorded in September, most of the strong gain from the 80.3 recorded in August was maintained in October. The overall trend remained positive, with the October reading above the third quarter 1989 average of 84.8 and slightly above the 87.0 recorded in October 1988.

Personal Financial Prospects Viewed Favorably

Among all families in the October 1989 survey, 42 percent reported that their financial situation had improved, unchanged from the figures recorded one month and one year earlier. Income increases were reported by 32 percent of all families, just below the 34 percent recorded one year earlier. Offsetting this small decline, complaints about the rising cost of living fell to 11 percent in October 1989 from 15 percent one year earlier.

American families remained very upbeat about prospects for their financial situation during the year ahead. In the October 1989 survey, 41 percent expected their financial situation to improve during the year ahead, up from 38 percent one

month earlier and 36 percent one year earlier. Just 7 percent of all families expected their financial situation to worsen during the year ahead, down from 9 percent in September and 12 percent in October 1988. Overall, this was the best outlook for personal finances recorded in more than a year.

Outlook for Economy Remains Positive

The October 1989 survey recorded little change in consumers' assessments of the current state of the national economy or in the direction of change that was expected during the year ahead. Overall, consumers continue to expect the economy to follow its recent path of slow growth during the year ahead.

Among all families, 47 percent in the October survey thought that the economy had improved, just between the 48 percent recorded one month earlier and the 46 percent recorded one year earlier. With regard to the year ahead, the majority of consumers in the October survey expected the performance of the national economy to remain unchanged (61 percent). The performance of the national economy was expected to improve by 22 percent, while 15 percent expected worsening conditions--both figures were within one percentage point of the month and year earlier readings.

The expected continuation of the economic expansion meant that the majority anticipated good times financially. For the economy as a whole, good times financially were expected by 53 percent of all families in the October 1989 survey, just below the 55 percent recorded one month earlier and the 54 percent recorded one year earlier.

Longer term prospects for the economy, however, did weaken to a somewhat greater extent than the outlook for the year ahead. Among all families, 36 percent expected good times financially during the next five year in the October survey, down from 41 percent in September and 40 percent in October 1988.

The positive short term outlook was supported by favorable employment expectations. The majority of families in the October 1989 survey (55 percent) expected the national unemployment rate to remain unchanged at its current low level during the year ahead. Among the other half of consumers, however, more expected the unemployment rate to increase than to decline by nearly a two-to-one margin (30 versus 14 percent). Interestingly, the proportion that expected declines as well as the proportion that expected increases in unemployment both edged upward in October. The proportion of families that expected a declining unemployment rate rose to 14 percent in October from 11 percent a month earlier, while the proportion that expected an increasing unemployment rate rose to 30 from 26 percent.

Inflation Expectations

The annual rate of inflation expected by consumers was 4.7% in the October 1989 survey. This represents a return to the level recorded in the August survey, following the decline to 4.4% in September. Despite this small uptick, the overall trend remains downward: the October 1989 reading is still below any of the monthly readings in the first half of 1989, and below the 5.2% recorded a year earlier.

Interest rates were expected to increase by 55 percent of all families in the October 1989 survey, up from 50 percent in September, but well below the peak of 75 percent recorded in April 1989 and the 68 percent recorded last October.

Favorable Price Perceptions Support Home Buying Attitudes

The proportion of families holding favorable attitudes toward buying conditions for homes was 66 percent in the October 1989 survey. Although this was below the 70 percent recorded in September, it was the second highest figure recorded during 1989, and above the 64 percent recorded in October 1988.

The recent strength in home buying attitudes has been due to favorable perceptions of home prices; this strength, however, has been offset by rising mortgage interest rates. Overall, home buying attitudes remain favorable, but are now substantially below the cyclical peak of 86 percent recorded in 1986. This was due almost entirely to concerns about rising mortgage interest rates.

Perceptions of home prices are very favorable. Among all families in the October 1989 survey, 26 percent mentioned the availability of good buys on homes, just ahead of the 25 percent recorded one month earlier and significantly above the 18 percent one year earlier. To put this in perspective, the highest proportion to favorably mention home prices during the last thirty years was 27 percent—recorded in both 1986 and 1988.

The small October decline in favorable home buying attitudes (as well as the larger decline from the cyclical peak) has been due to less favorable perceptions of mortgage interest rates. Among all families in the October 1989 survey, 29 percent mentioned the current availability of low mortgage interest rates, down from 36 percent in September. In comparison, when the 1986 peak was reached in favorable home buying attitudes, 78 percent cited the appeal of low mortgage interest rates.

Vehicle Buying Attitudes Remain On Favorable Plateau

Favorable attitudes toward buying conditions for vehicles were held by 62 percent of all families in the October 1989 survey, just ahead of the 61 percent recorded in the prior two months and the 60 percent recorded in October 1988. Attitudes toward vehicle buying conditions have remained remarkably stable, with the last 20 monthly surveys recording a figure between 60 and 65 percent (with 14 of these reading either 61 or 62 percent!)

The availability of price discounts and rebates was reported by 36 percent of all families in the October 1989 survey, up from 32 percent one

month earlier and 31 percent one year earlier. At 36 percent, the October 1989 reading was the highest in two years, and only marginally below the all-time peak of 38 percent recorded in 1975.

Because of the continuous use of these price discount programs, however, consumers have come to expect their availability, and thus their impact on overall buying attitudes has diminished. Moreover, the impact on consumer attitudes is now asymmetrical: the availability of discounts is taken for granted; their absence is met with postponement of purchases. As a result, consumers have now come to view price discount programs as simply a means to determine the timing of their purchases, shifting purchases from one month to the next depending on their availability.

Although attitudes have remained stable at this relatively high plateau, it is certainly well below the 1986 cyclical peak of 81 percent. That cyclical peak was induced by the availability of interest rate discounts on new vehicle purchases at the end of the 1986 model year. It is the availability of these interest rate discounts, especially on longer term loans, that many fewer consumers report in the current surveys.

The proportion that mentioned the availability of discounted interest rates fell to 13 percent in October from 18 percent one month earlier and 25 percent six months earlier (the 1989 high). In comparison, at the 1986 peak in vehicle buying attitudes, a record 70 percent supported their favorable buying attitudes by mentioning the availability of interest rate discounts.

Household Durables

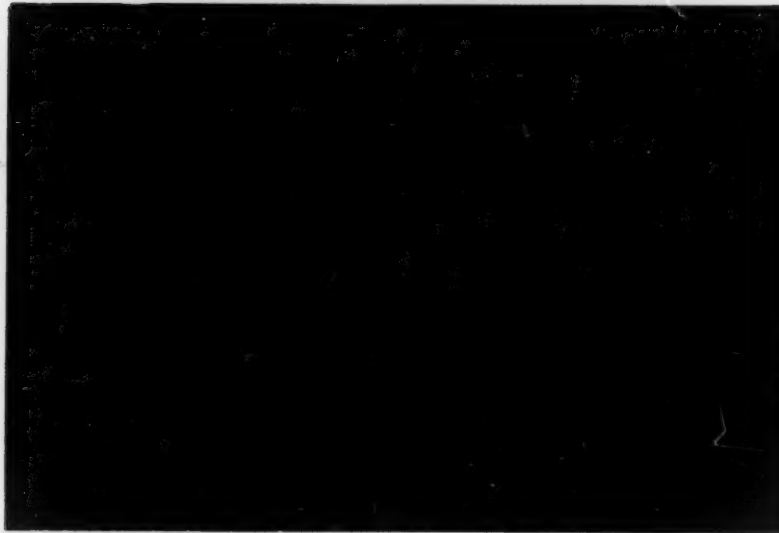
Consumers' assessments of buying conditions for appliances, furniture, and home electronic goods remained at favorable levels in the recent survey. Favorable buying attitudes were held by 73 percent of all families in the October 1989 survey, down from 75 percent in September, but equal to the October 1988 reading. Buying conditions for household durables were viewed favorably because of the continued widespread availability of price discounts. Mentions of price discounts were made by 35 percent of all families in the October 1989 survey, just above the 34 percent recorded one month earlier and the 32 percent recorded one year earlier.

* * *

The October 1989 survey included 500 completed interviews conducted between October 2 and October 29, 1989.

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SURVEYS OF CONSUMERS



Institute for Social Research

SURVEYS OF CONSUMERS

OCTOBER 1989

The October 1989 survey was the 255th in a series of Surveys of Consumers conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results for the total sample will differ by no more than 5 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

While every effort is made to accurately measure consumer attitudes and expectations, factors other than sampling may also affect the accuracy of these (and other) findings. These factors may include effects of the question wording, the ability of respondents to articulate answers and opinions, refusal to participate in the survey, and incomplete coverage of the population. There are no standard measures of these effects, but their presence should be acknowledged when using these and all other survey data. While measurement effects are present in all surveys, a noted advantage of time-series data is that the non-sampling influences remain relatively constant across samples.

TABLE OF CONTENTS

TABLE	TITLE
1.	The Index of Consumer Sentiment
2.	Index of Consumer Sentiment within Region and Age Subgroups
3.	Components of the Index of Consumer Sentiment
4.	Current Financial Situation Compared to a Year Ago
5.	Selected Reasons for Opinions About Personal Financial Situation
6.	Expected Change in Financial Situation
7.	Trend in Personal Financial Situation
8.	Expected Family Income Change During the Next 12 Months
9.	Expected Change in Real Family Income
10.	News Heard of Recent Changes in Business Conditions
11.	Selected Items of News Heard of Recent Changes in Business Conditions
12.	Current Business Conditions Compared to a Year Ago
13.	Expected Change in Business Conditions in a Year
14.	Trend in Past and Expected Changes in Business Conditions
15.	Business Conditions Expected During the Next 12 Months
16.	Business Conditions Expected During the Next 5 Years
17.	Expected Change in Unemployment
18.	Expected Change in Interest Rates
19.	Expected Change in Prices During the Next 12 Months
20.	Opinions About the Government's Economic Policy
21.	Buying Conditions for Large Household Goods
22.	Selected Reasons About Buying Conditions for Large Household Goods
23.	Buying Conditions for Houses
24.	Selected Reasons for Opinions About Buying Conditions for Houses
25.	Buying Conditions for Cars
26.	Selected Reasons for Opinions About Buying Conditions for Cars

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

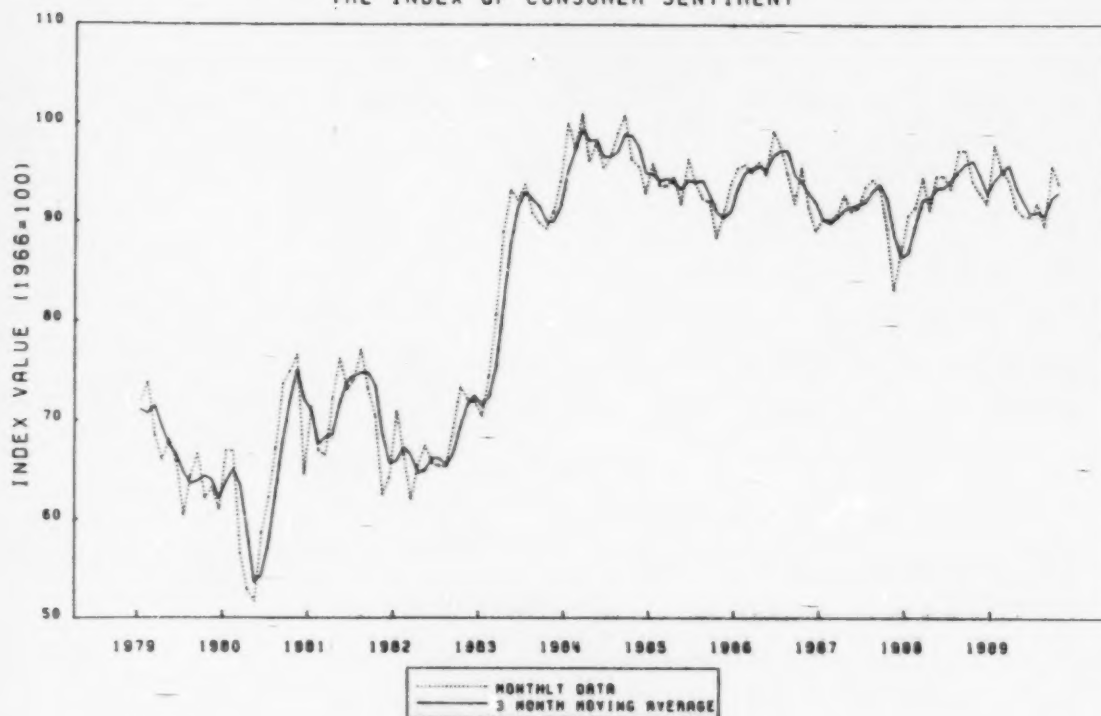


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

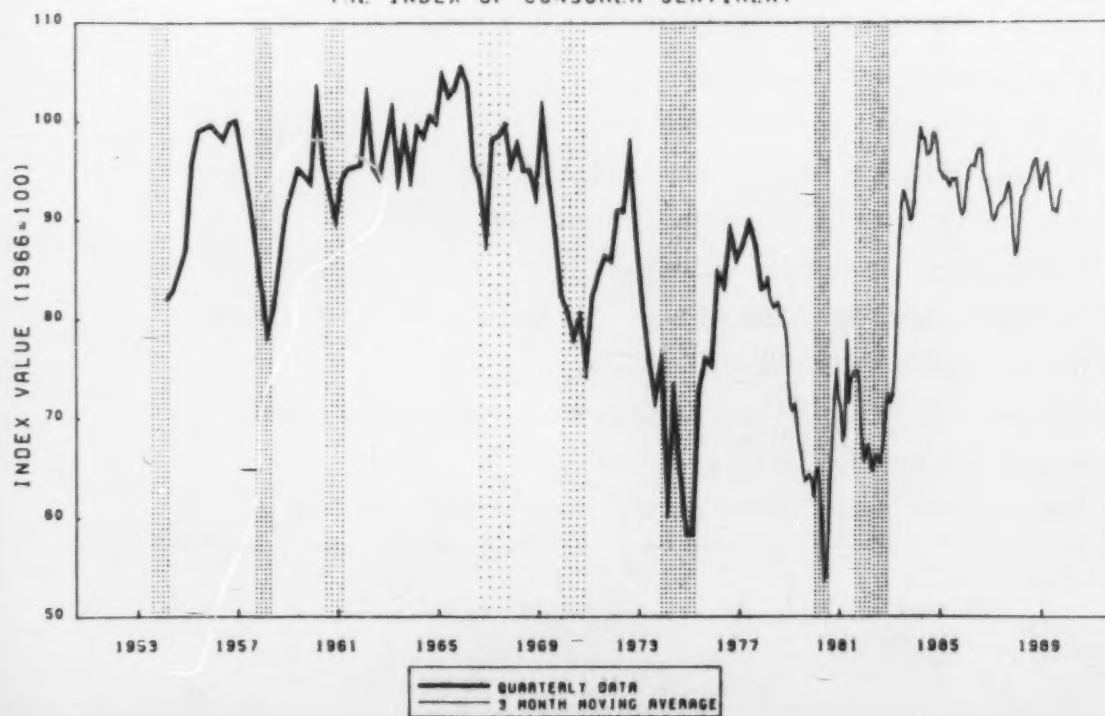


TABLE 1
THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	All families	Families with incomes over \$30,000	Families with incomes over \$40,000
October 1986	95.6	102.8	105.5
November 1986	91.4	97.5	98.7
December 1986	89.1	98.7	98.3
January 1987	90.4	101.2	104.0
February 1987	90.2	103.6	103.6
March 1987	90.8	97.8	96.1
April 1987	92.8	98.5	103.1
May 1987	91.1	97.7	99.2
June 1987	91.5	102.9	102.9
July 1987	93.7	102.5	104.0
August 1987	94.4	104.4	109.1
September 1987	93.6	100.6	104.3
October 1987	89.3	99.9	101.8
November 1987	83.1	87.7	90.5
December 1987	86.8	94.5	96.1
January 1988	90.8	99.0	99.9
February 1988	91.6	98.1	100.8
March 1988	94.6	103.7	104.6
April 1988	91.2	99.1	99.6
May 1988	94.8	106.6	108.3
June 1988	94.7	102.3	102.7
July 1988	93.4	100.5	103.9
August 1988	97.4	105.1	104.2
September 1988	97.3	102.8	105.4
October 1988	94.1	103.0	103.7
November 1988	93.0	102.0	101.0
December 1988	91.9	97.0	99.5
January 1989	97.9	108.4	106.8
February 1989	95.4	104.6	109.6
March 1989	94.3	98.6	100.0
April 1989	91.5	99.1	99.8
May 1989	90.7	100.6	100.3
June 1989	90.6	95.2	95.4
July 1989	92.0	103.2	101.9
August 1989	89.6	93.5	93.1
September 1989	95.8	104.1	103.0
October 1989	93.9	100.2	103.6

CHART 2A - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

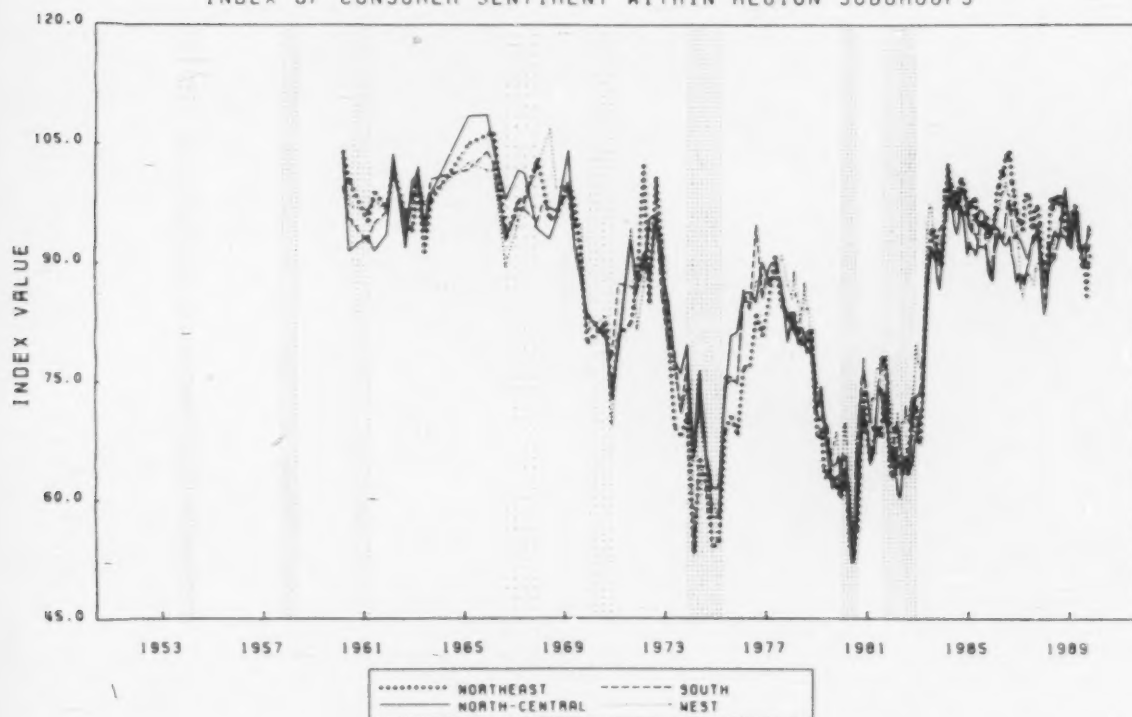


CHART 2B - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

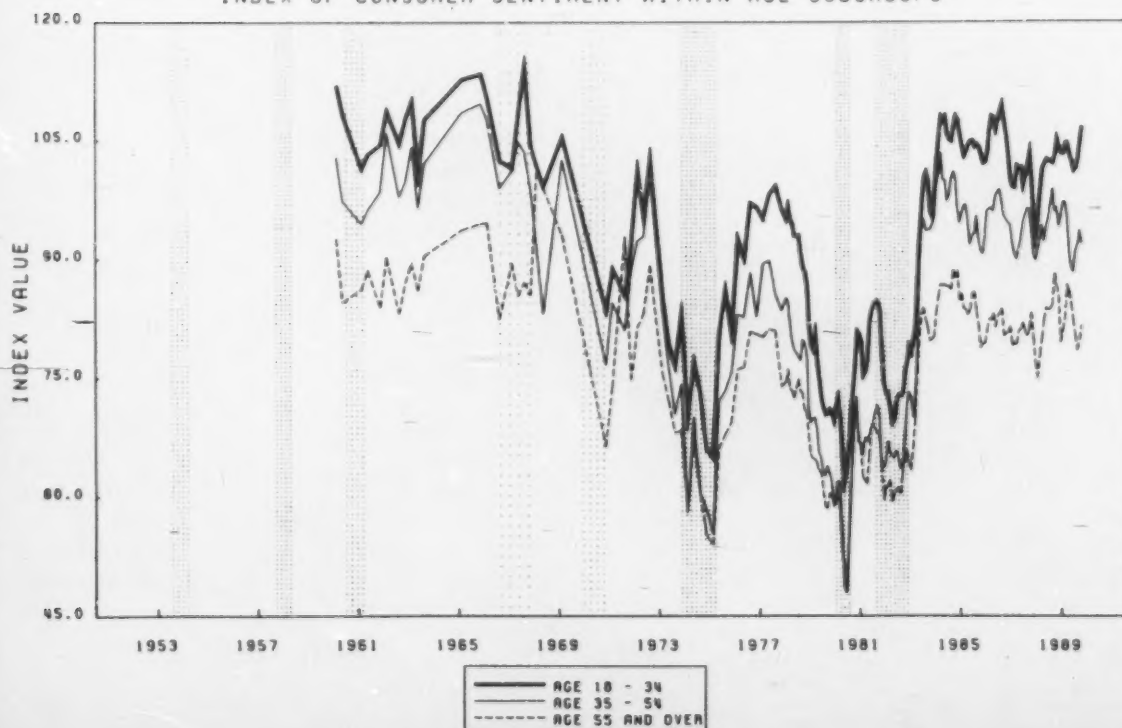


TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY	CENSUS REGION				AGE OF RESPONDENT		
	North East	North Central	South	West	18-34	35-54	55+
October 1986	99.1	90.0	96.5	99.3	102.5	97.3	85.7
November 1986	95.8	85.6	93.2	92.3	99.5	94.2	80.4
December 1986	91.8	90.4	89.5	84.0	98.0	91.3	78.3
January 1987	98.1	85.9	96.0	83.9	99.9	91.2	78.4
February 1987	92.4	89.5	90.7	89.2	99.1	89.2	81.5
March 1987	104.6	86.3	87.5	91.2	106.4	89.3	77.7
April 1987	99.4	91.7	93.7	87.2	99.0	95.1	83.5
May 1987	91.3	92.9	92.1	87.1	99.5	92.8	82.1
June 1987	92.5	92.2	91.5	89.7	99.0	95.5	80.0
July 1987	100.1	95.7	93.8	85.2	103.0	97.8	80.2
August 1987	99.0	91.0	95.2	93.2	103.3	95.8	80.8
September 1987	92.2	94.7	94.9	91.5	104.1	95.4	82.6
October 1987	93.8	87.2	88.3	89.1	92.0	89.9	86.2
November 1987	83.9	79.6	87.9	79.4	91.7	86.6	70.8
December 1987	83.4	83.6	90.4	89.2	94.1	92.9	73.6
January 1988	99.8	91.3	87.6	88.5	98.3	93.6	80.1
February 1988	93.7	92.1	92.8	86.3	102.5	90.3	79.9
March 1988	101.2	92.9	91.6	95.3	103.5	98.9	80.0
April 1988	94.9	93.9	88.6	89.0	100.0	87.5	86.6
May 1988	99.1	95.5	91.1	97.3	104.2	95.4	84.7
June 1988	98.1	91.2	95.9	95.2	103.1	102.0	79.5
July 1988	98.3	92.0	91.8	94.0	99.6	93.0	86.6
August 1988	95.7	100.9	94.4	98.5	103.6	101.7	86.3
September 1988	95.2	101.9	93.3	97.6	106.1	93.3	91.4
October 1988	91.8	96.1	92.9	96.6	105.8	94.6	82.0
November 1988	95.8	90.6	90.5	98.9	100.4	94.3	82.2
December 1988	90.8	90.2	96.1	88.0	103.7	97.1	73.9
January 1989	96.9	94.2	99.9	102.2	105.8	100.3	86.7
February 1989	103.5	99.2	88.8	93.6	104.3	94.2	86.7
March 1989	91.5	95.8	96.1	92.2	103.9	91.8	87.0
April 1989	83.9	94.6	93.4	90.3	101.0	87.5	83.8
May 1989	99.9	86.7	87.3	94.3	102.2	86.9	81.9
June 1989	84.7	91.2	94.4	89.8	100.0	90.4	81.1
July 1989	87.2	91.9	95.6	91.8	101.9	95.8	78.0
August 1989	85.2	93.6	85.0	95.7	105.7	88.9	76.1
September 1989	97.1	98.8	94.0	92.7	107.1	96.2	84.9
October 1989	92.1	89.6	99.5	92.6	107.3	90.5	83.9

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

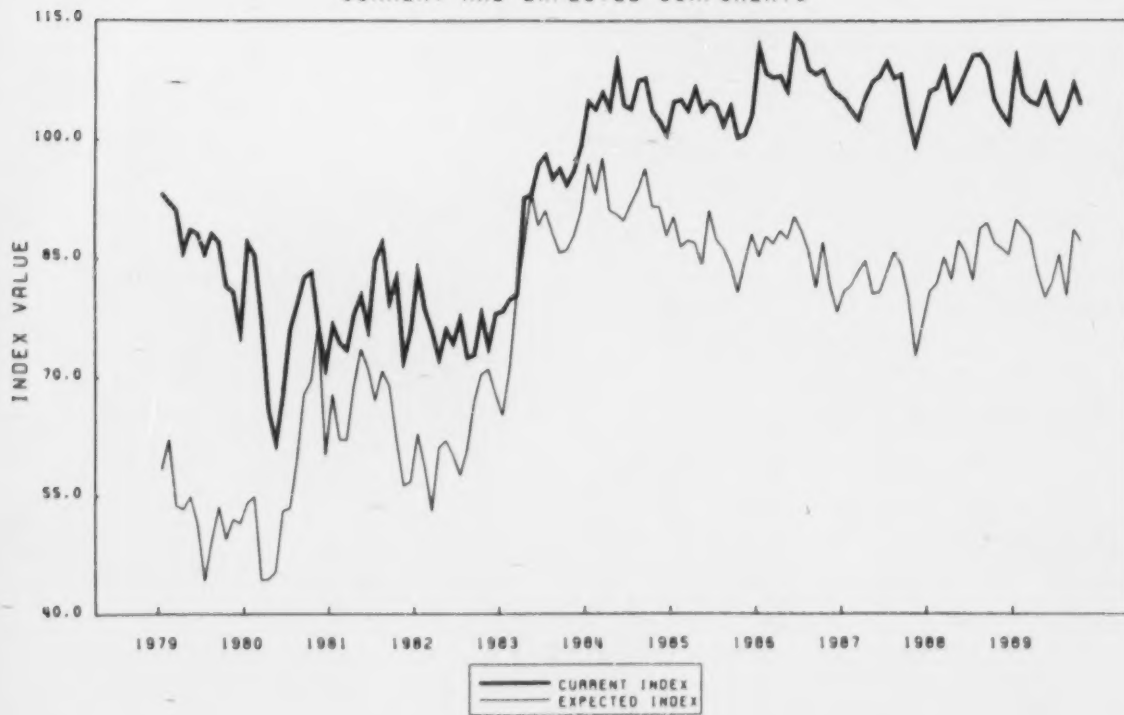


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

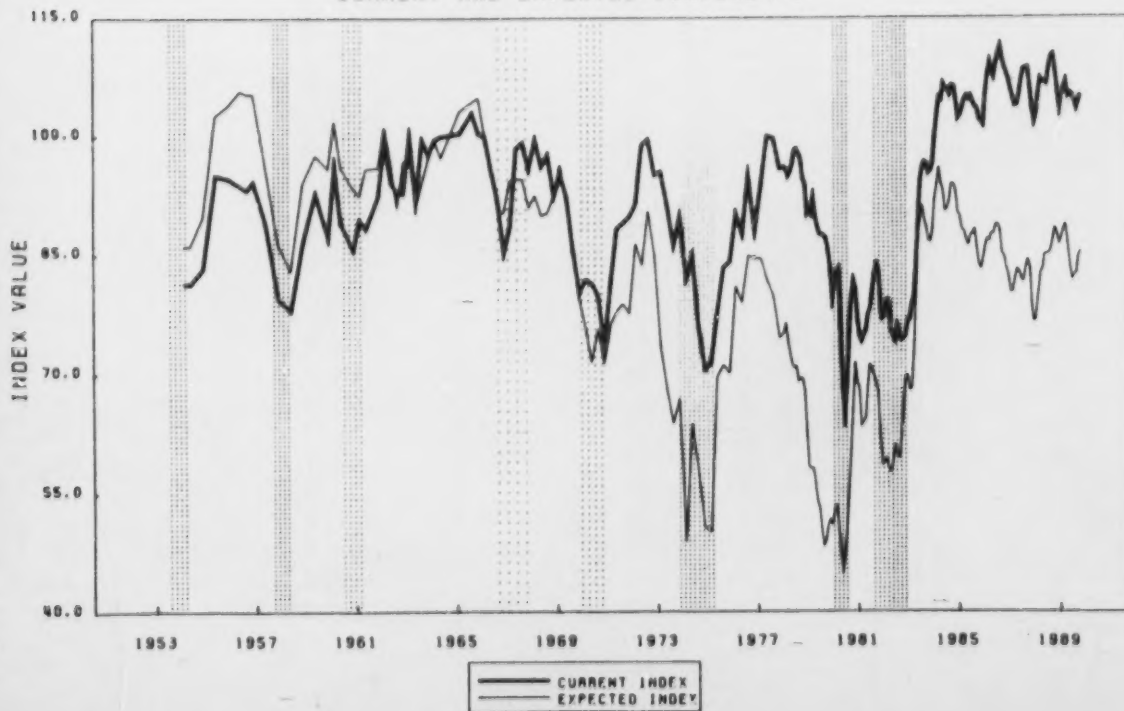


TABLE 3

COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

		INDEX COMPONENTS +						
		Personal finances		Business conditions		Buying conds.	Current Index	Expected Index
DATE OF SURVEY		Current	Expected	12 months	5 years			
		(1)	(2)	(3)	(4)	(5)	(1,5)	(2,3,4)
October	1986	120	127	124	99	162	108.9	87.1
November	1986	121	121	120	87	155	106.7	81.6
December	1986	116	127	104	83	158	105.8	78.3
January	1987	120	130	117	77	152	105.1	80.9
February	1987	115	126	117	84	153	103.7	81.6
March	1987	114	122	121	92	152	102.5	83.3
April	1987	116	127	116	97	158	105.5	84.7
May	1987	117	121	114	89	161	107.4	80.6
June	1987	120	122	113	89	161	108.1	80.8
July	1987	123	123	118	94	162	109.9	83.3
August	1987	122	127	125	93	157	107.8	85.8
September	1987	119	124	122	92	162	108.3	84.2
October	1987	118	128	105	90	149	103.1	80.4
November	1987	115	118	93	80	142	99.3	72.7
December	1987	119	120	98	89	147	102.7	76.7
January	1988	122	131	110	84	154	106.2	80.9
February	1988	122	130	108	90	155	106.6	81.9
March	1988	127	133	114	96	156	109.1	85.2
April	1988	117	125	117	89	154	104.8	82.4
May	1988	111	127	125	98	165	106.5	87.3
June	1988	119	129	121	95	163	108.6	85.7
July	1988	120	128	106	96	167	110.7	82.3
August	1988	127	127	125	105	160	110.8	88.8
September	1988	127	133	125	102	157	109.4	89.5
October	1988	114	124	129	97	158	105.0	87.0
November	1988	112	128	122	97	156	103.3	86.3
December	1988	114	127	119	98	150	102.0	85.5
January	1989	121	131	128	103	165	110.3	89.9
February	1989	120	130	128	99	154	105.7	88.8
March	1989	116	131	123	98	156	104.8	87.6
April	1989	113	130	113	91	158	104.4	83.2
May	1989	121	125	107	89	157	107.1	80.1
June	1989	115	123	115	90	155	104.1	82.0
July	1989	112	123	124	96	152	102.1	85.5
August	1989	114	126	109	88	156	103.9	80.3
September	1989	117	129	127	101	161	107.1	88.6
October	1989	114	134	124	93	156	104.4	87.2

(1) See Table 4.

(2) See Table 6.

(3) See Table 15.

(4) See Table 16.

(5) See Table 21.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

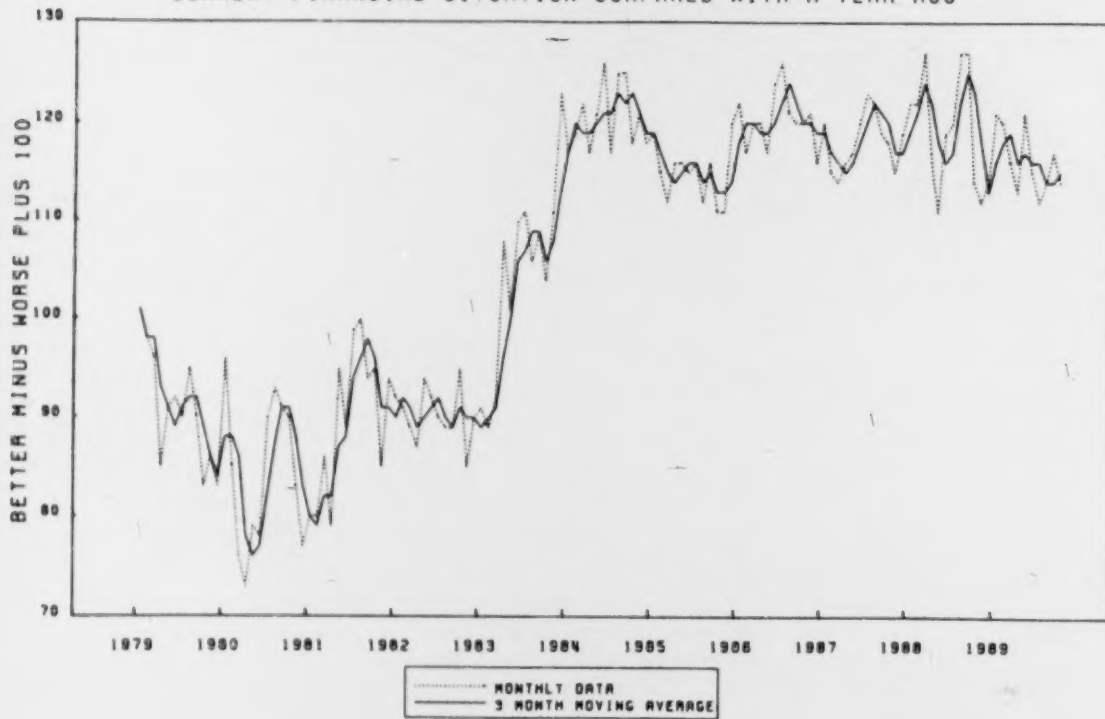


CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

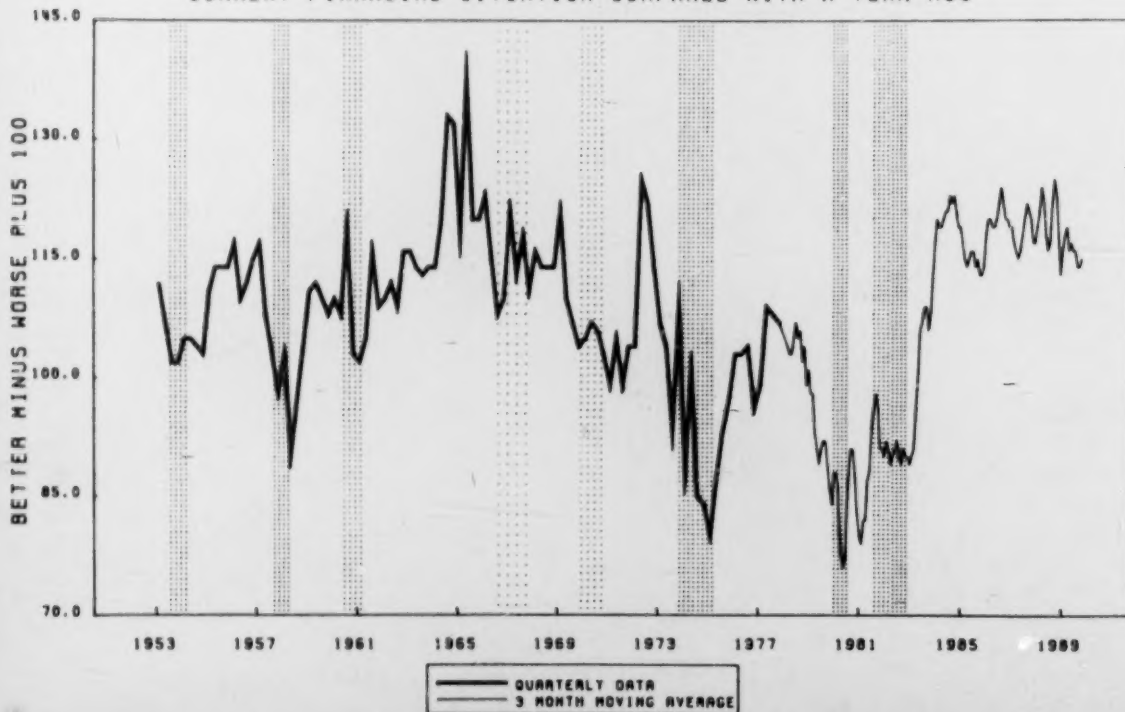


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989
BETTER OFF	42%	41%	39%	44%	44%	42%	42%	45%	38%	41%	41%	42%	42%
SAME	30	30	36	33	31	32	29	31	38	30	32	32	30
WORSE OFF	28	29	25	23	24	26	29	24	23	29	27	25	28
DK,NA	*	*	*	*	1	*	*	*	1	*	*	1	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	508	500	501	500	502	500	503	507	501	502	506	500

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION



CHART 5B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

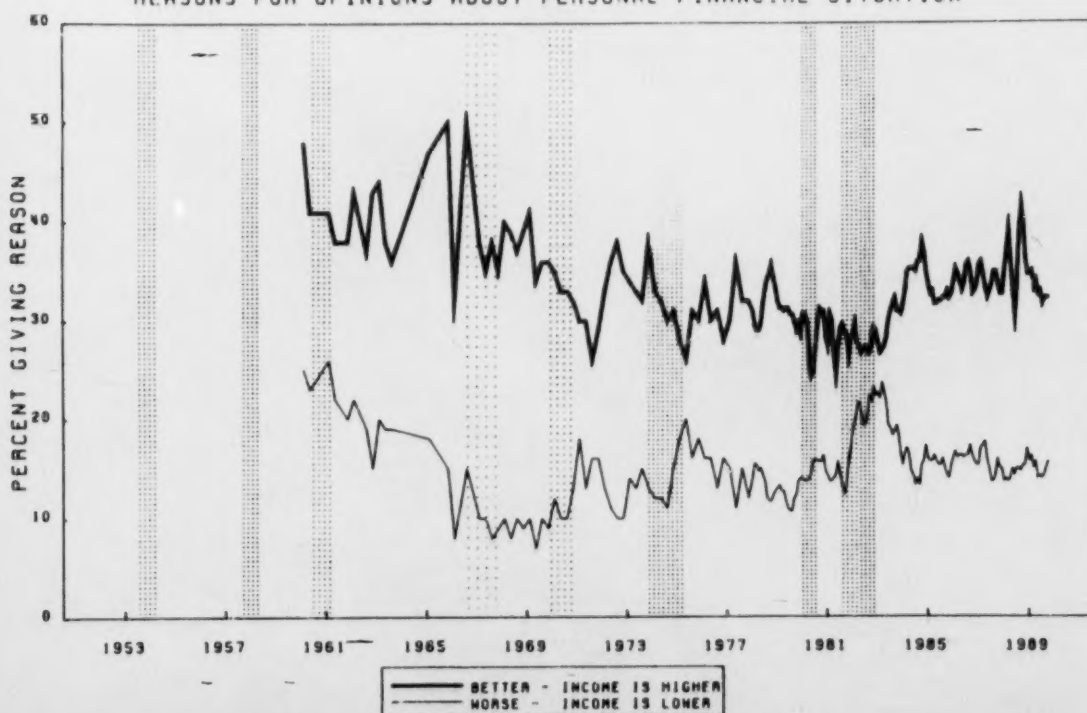


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989
BETTER OFF THAN YEAR AGO:													
Income is higher	34%	35%	35%	34%	36%	30%	36%	32%	31%	32%	34%	31%	32%
WORSE OFF THAN YEAR AGO:													
Income is lower	18	16	17	14	18	13	16	13	14	15	14	16	17
Higher prices	15	11	14	15	12	15	16	12	14	16	16	13	11

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

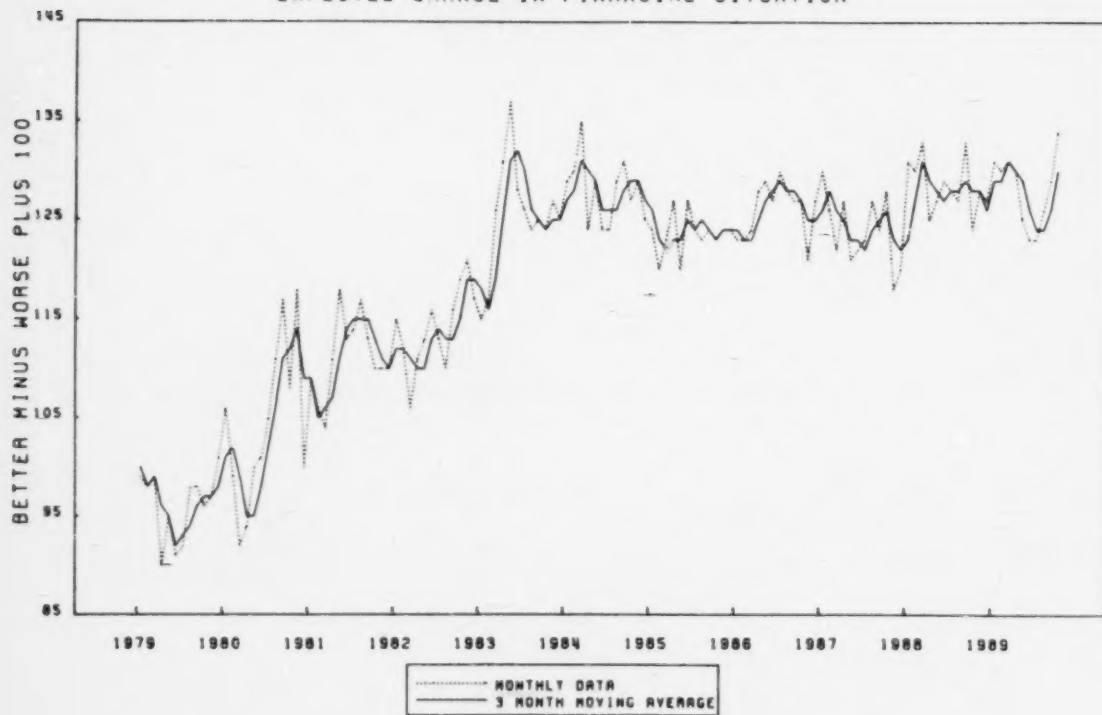


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

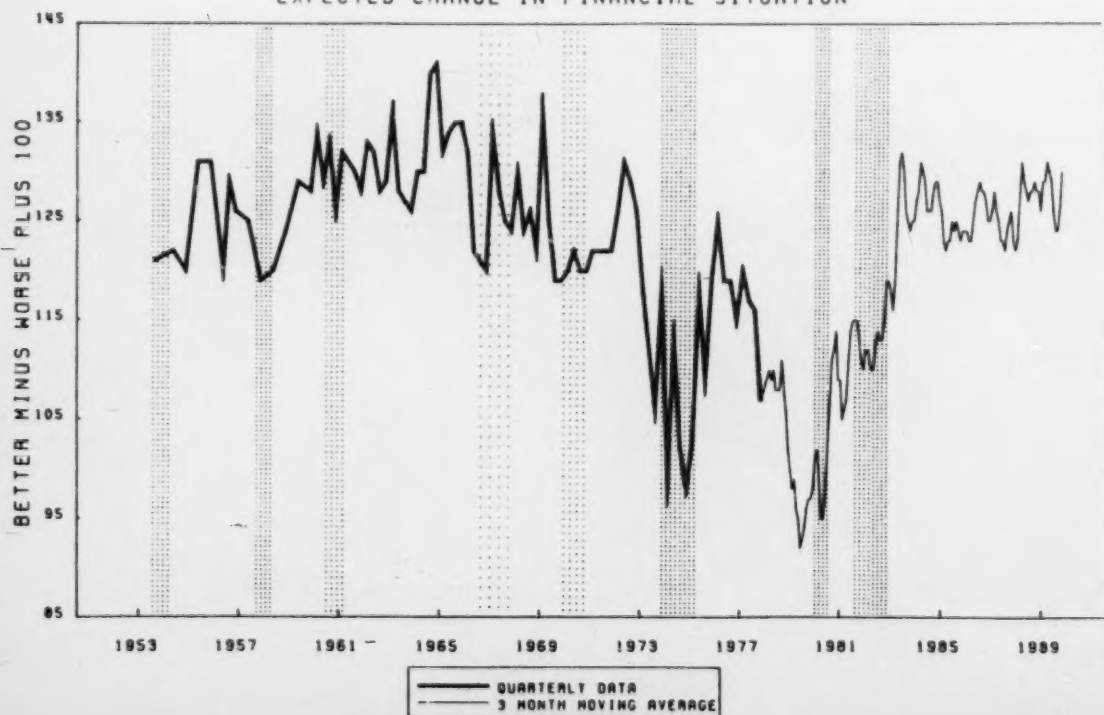


TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989
BETTER OFF	36%	37%	39%	41%	40%	40%	41%	39%	34%	35%	37%	38%	41%
SAME	48	49	46	47	46	49	46	45	52	50	49	49	47
WORSE OFF	12	9	12	10	10	9	11	14	11	12	11	9	7
DK,NA	4	5	3	2	4	2	2	2	3	3	3	4	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	508	500	501	500	502	500	503	507	501	502	506	500

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

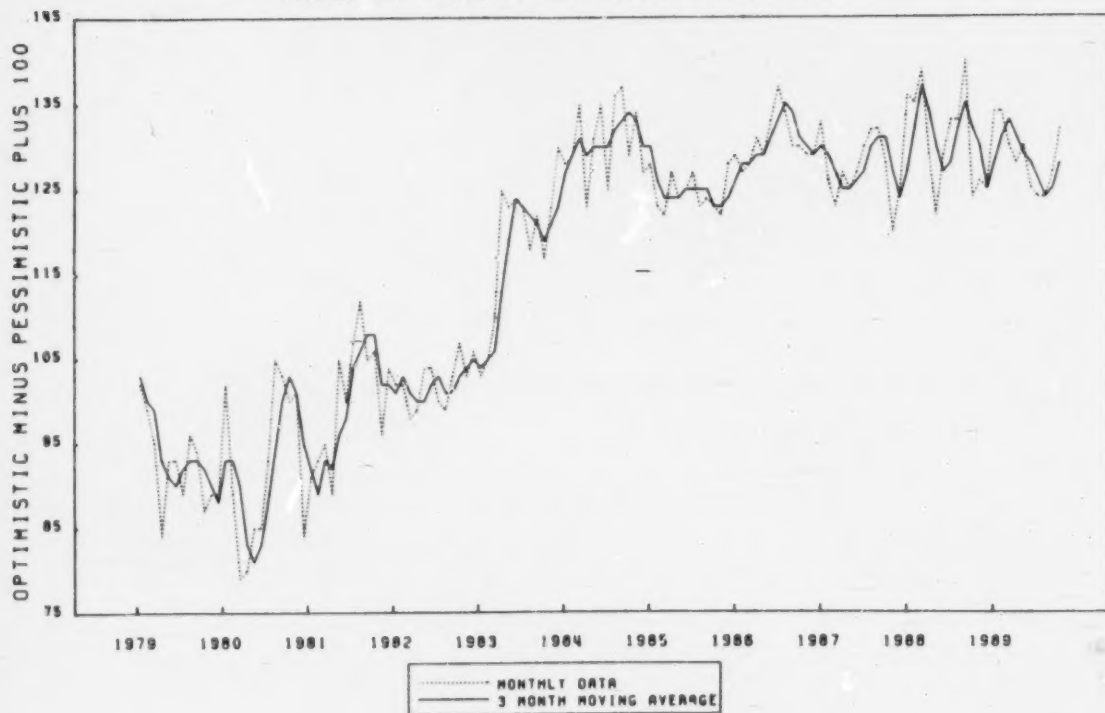


CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

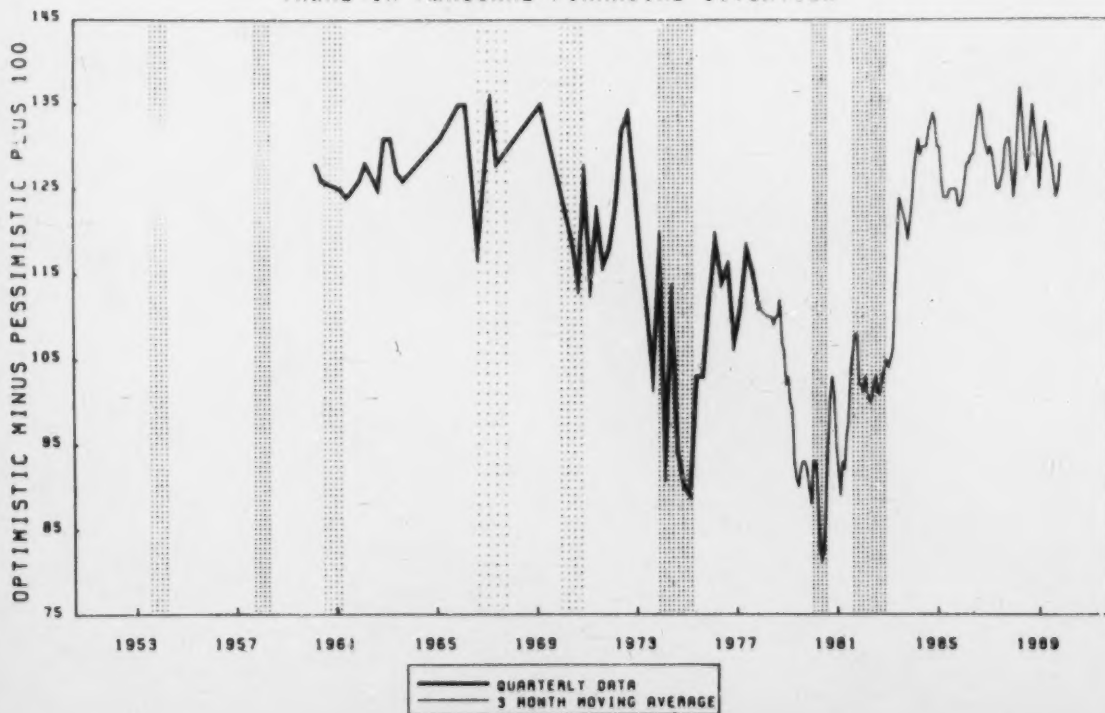


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	20%	21%	22%	23%	22%	20%	21%	21%	16%	19%	20%	24%	22%
Intermittant increase (b)	25	25	23	29	29	29	27	31	28	28	25	24	27
Remain unchanged (c)	18	18	20	18	17	18	17	14	22	18	20	19	17
Intermittant decline (d)	15	16	16	13	12	15	13	18	15	15	16	17	12
Continuous decline (e)	6	4	4	5	5	4	7	4	4	8	5	4	5
Mixed change (f)	11	11	11	10	11	12	13	9	11	9	10	8	11
DK,NA	5	5	4	2	4	2	2	3	4	3	4	4	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	508	500	501	500	502	500	503	507	501	502	506	500

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
 (b) Better/Same or Same/Better
 (c) Same/Same
 (d) Worse/Same or Same/Worse
 (e) Worse/Worse
 (f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME

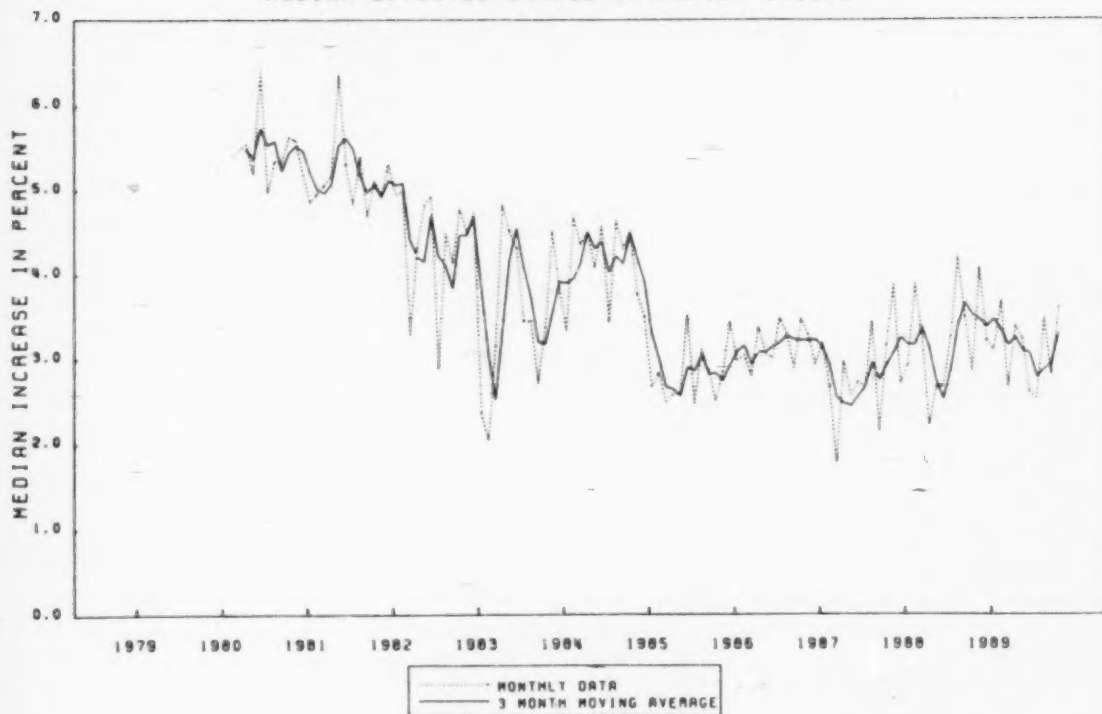


CHART 8 - HISTORICAL SERIES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME

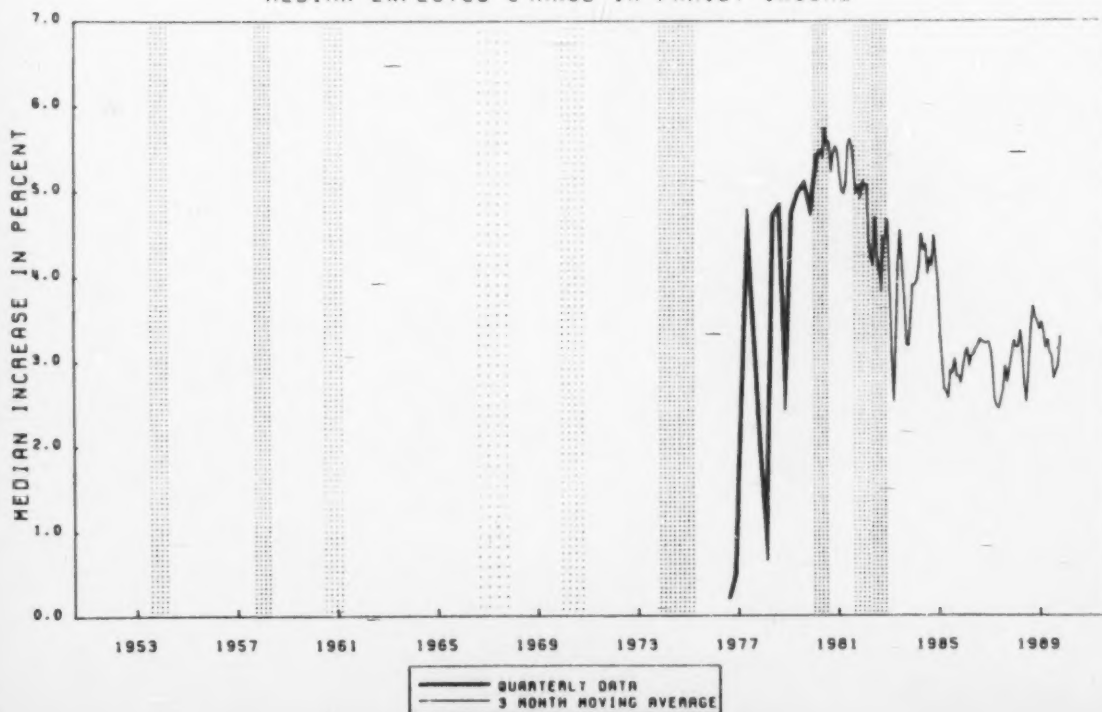


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989
EXPECT INCREASE:													
1-4%	16%	18%	21%	15%	17%	16%	17%	16%	18%	15%	15%	16%	15%
5%	12	11	11	9	15	10	12	9	11	9	13	10	12
6-9%	6	9	7	10	7	7	7	7	6	6	8	7	7
10-24%	15	15	15	14	15	14	15	17	14	16	17	15	14
25% or more	6	7	6	8	7	7	7	8	6	6	6	5	9
DK how much up	5	7	4	4	5	5	5	4	5	6	3	5	4
EXPECT SAME	27	20	22	27	22	27	23	26	27	31	26	25	25
EXPECT DOWN	12	11	13	13	11	14	12	12	12	10	12	15	12
DK,NA	1	2	1	*	1	*	2	1	1	1	*	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	508	500	501	500	502	500	503	507	501	502	506	500

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

* : Less than half of one percent.

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

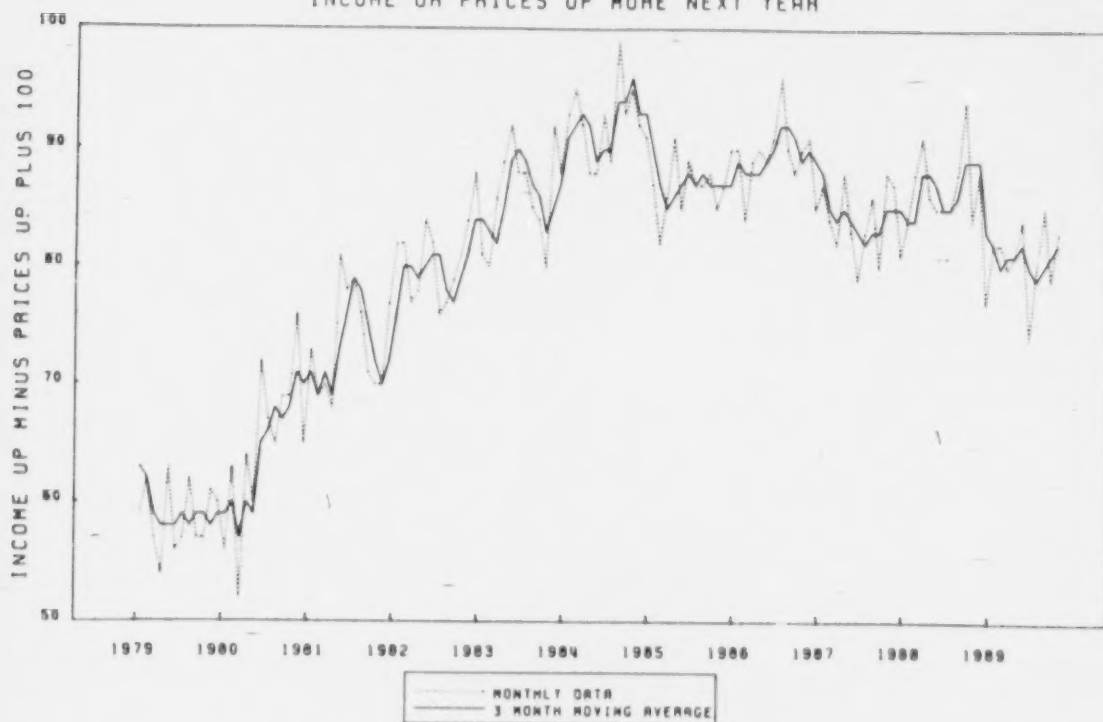


CHART 9 - HISTORICAL SERIES
INCOME OR PRICES UP MORE NEXT YEAR

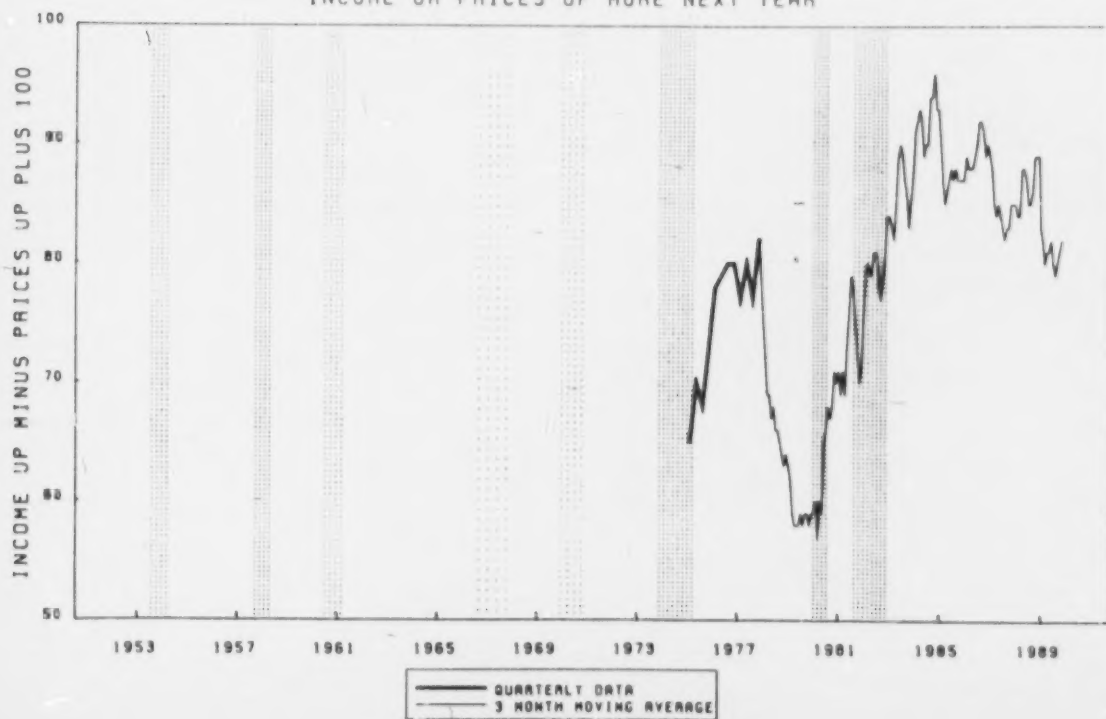


TABLE 9

EXPECTED CHANGE IN REAL FAMILY INCOME

	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989
INCOME UP MORE	18%	21%	17%	19%	18%	17%	18%	22%	16%	19%	21%	19%	20%
INCOME UP SAME	46	43	41	41	43	44	43	37	39	40	39	39	41
PRICES UP MORE	34	33	40	37	36	37	37	38	42	39	36	40	37
DK,NA	2	3	2	3	3	2	2	3	3	2	4	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	508	500	501	500	502	500	503	507	501	502	506	500

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 10 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS



CHART 10 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

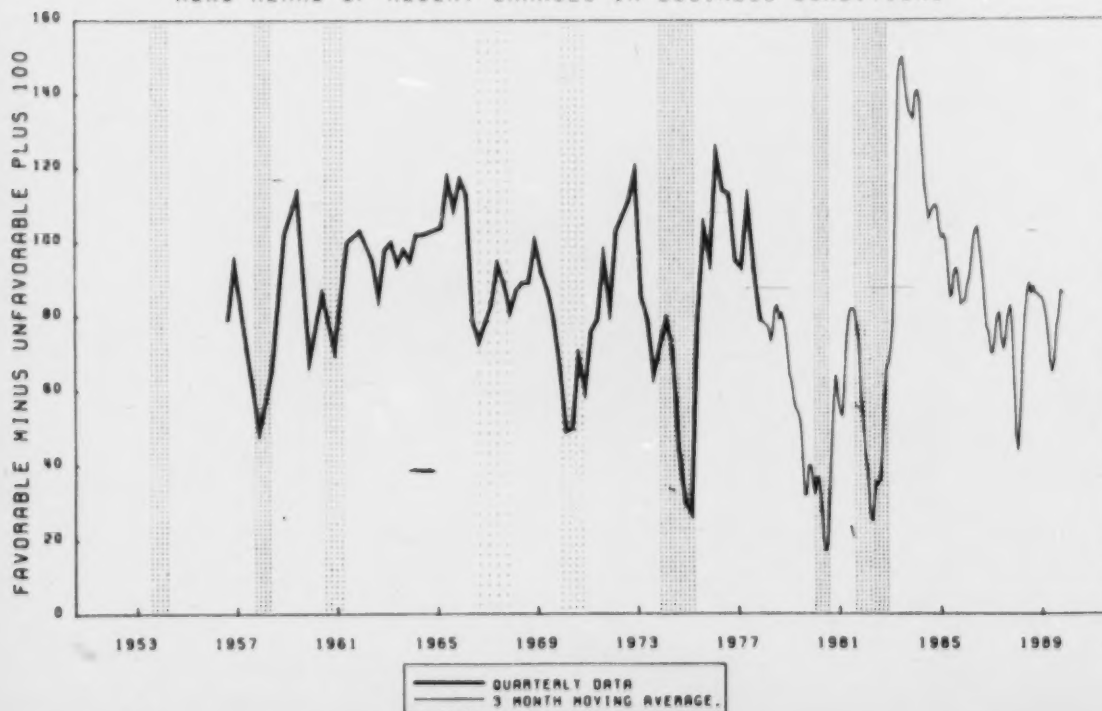


TABLE 10

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989
FAVORABLE NEWS	29%	25%	30%	24%	27%	22%	18%	22%	23%	28%	23%	29%	24%
UNFAVORABLE NEWS	43	39	48	43	50	56	58	54	47	41	45	32	41
NO MENTIONS	52	54	50	55	48	49	48	48	53	50	53	56	52

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 11A - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

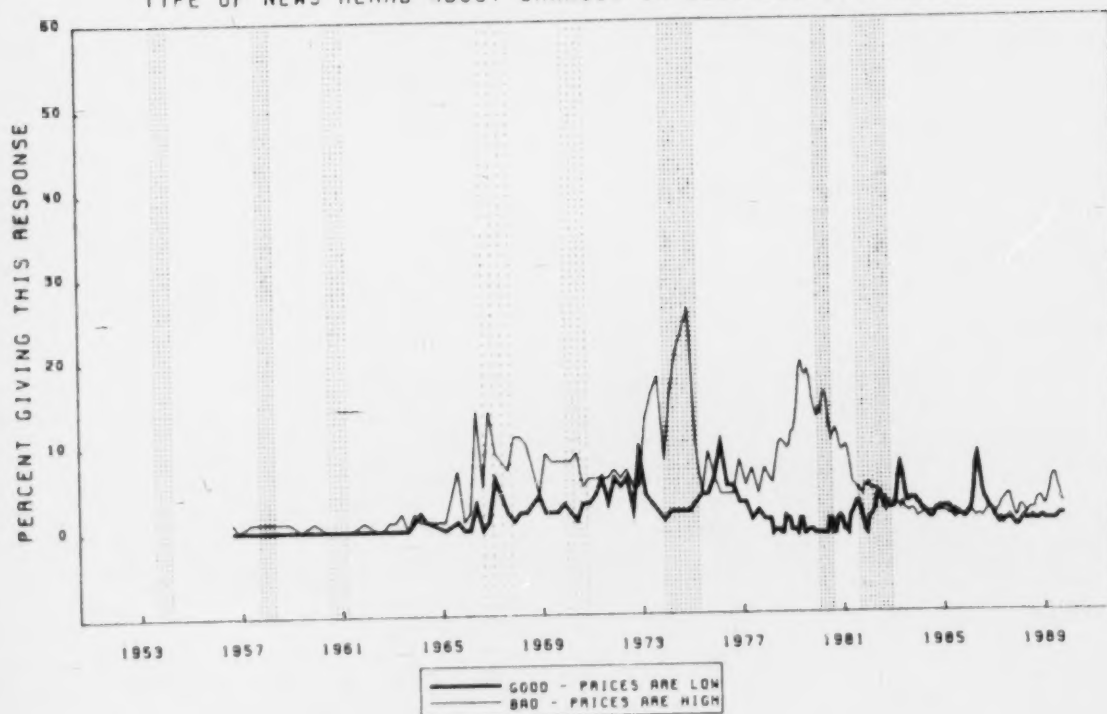


CHART 11B - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

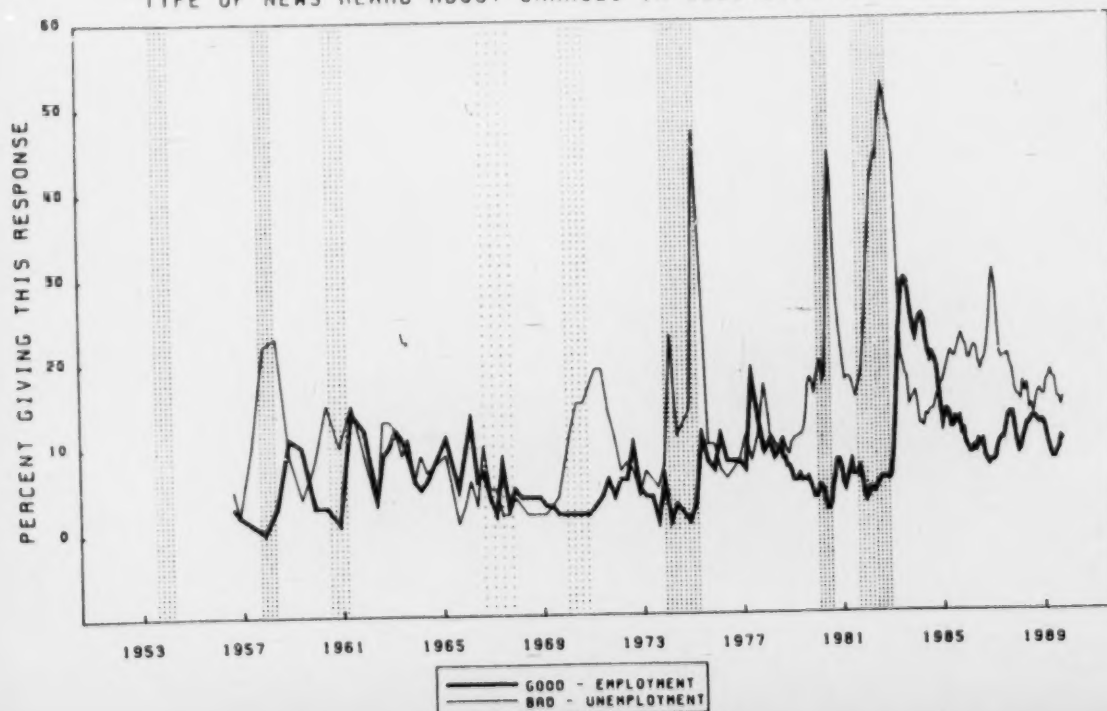


TABLE 11

SELECTED ITEMS OF
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989
FAVORABLE NEWS:													
Government; elections	2%	2%	4%	2%	5%	3%	1%	1%	1%	*	2%	2%	1%
Employment	12	13	12	11	10	8	8	8	8	10	9	12	9
Higher consumer demand	2	2	2	2	1	1	3	2	1	2	1	1	1
Lower prices	1	1	1	*	1	1	*	1	1	1	2	1	1
Easier credit	1	1	1	1	1	1	*	1	4	6	5	4	3
Stock market	2	1	1	2	1	1	1	2	2	2	1	3	2
Trade deficit	2	1	1	1	1	1	1	1	*	1	1	1	1
UNFAVORABLE NEWS:													
Government; elections	5	6	7	7	7	5	4	4	4	5	3	4	2
Unemployment	17	13	16	17	18	17	20	15	17	13	15	14	16
Lower consumer demand	3	2	2	2	4	3	2	4	3	3	3	2	2
Higher prices	3	2	3	2	4	6	6	6	6	2	4	2	2
Tighter credit	4	2	6	4	5	10	12	10	5	3	2	1	1
Stock market	3	3	4	1	1	2	2	2	1	1	1	1	7
Trade deficit	1	4	2	2	3	3	3	2	3	5	3	2	2

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 12 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

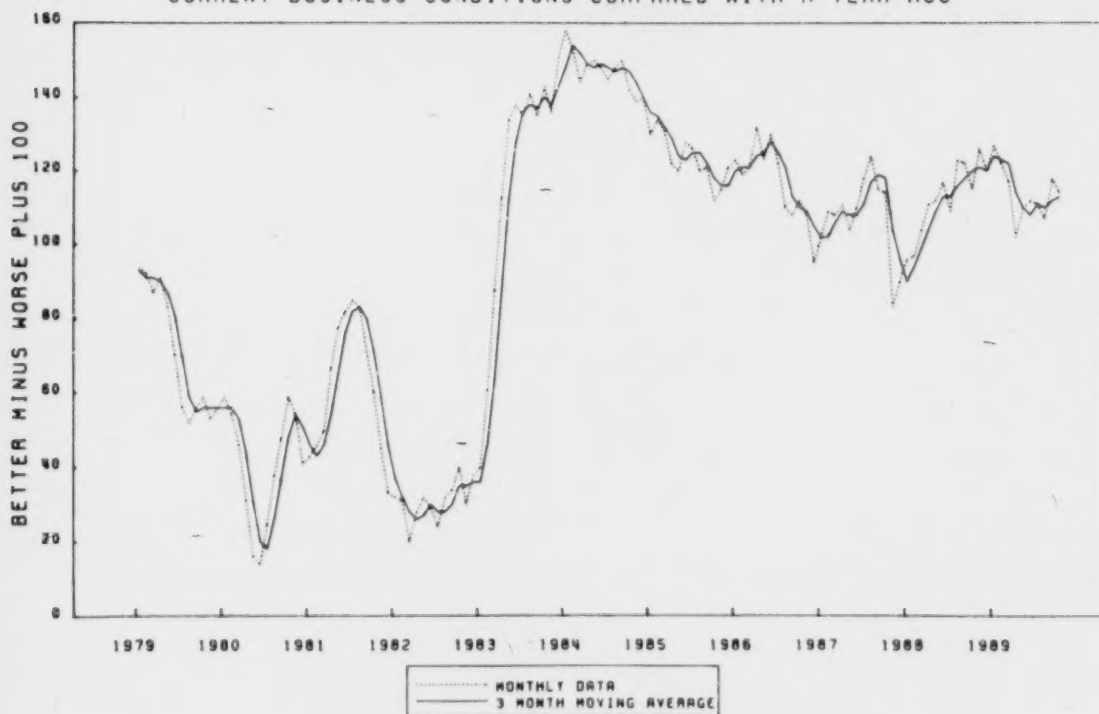


CHART 12 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

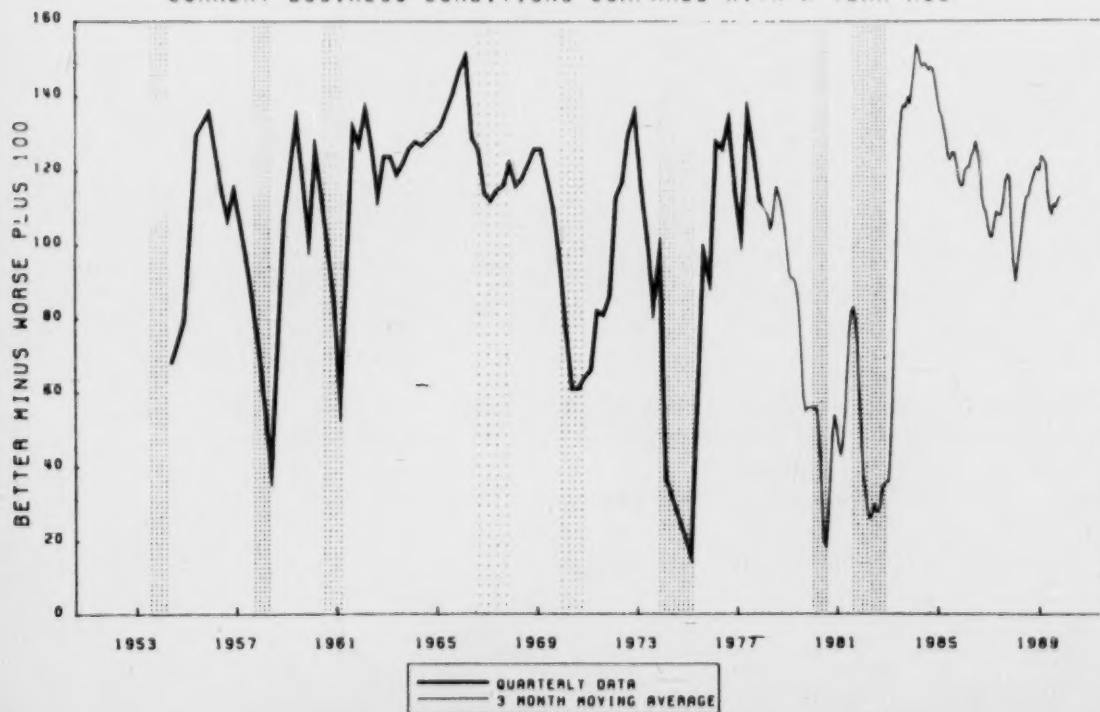


TABLE 12

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989
BETTER NOW	46%	54%	49%	53%	48%	47%	41%	44%	45%	43%	42%	48%	47%
SAME	21	17	20	19	22	22	18	19	18	22	21	19	19
WORSE NOW	31	28	29	26	26	30	39	34	33	32	35	30	33
DK,NA	2	1	2	2	4	1	2	3	4	3	2	3	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	508	500	501	500	502	500	503	507	501	502	506	500

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 13 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

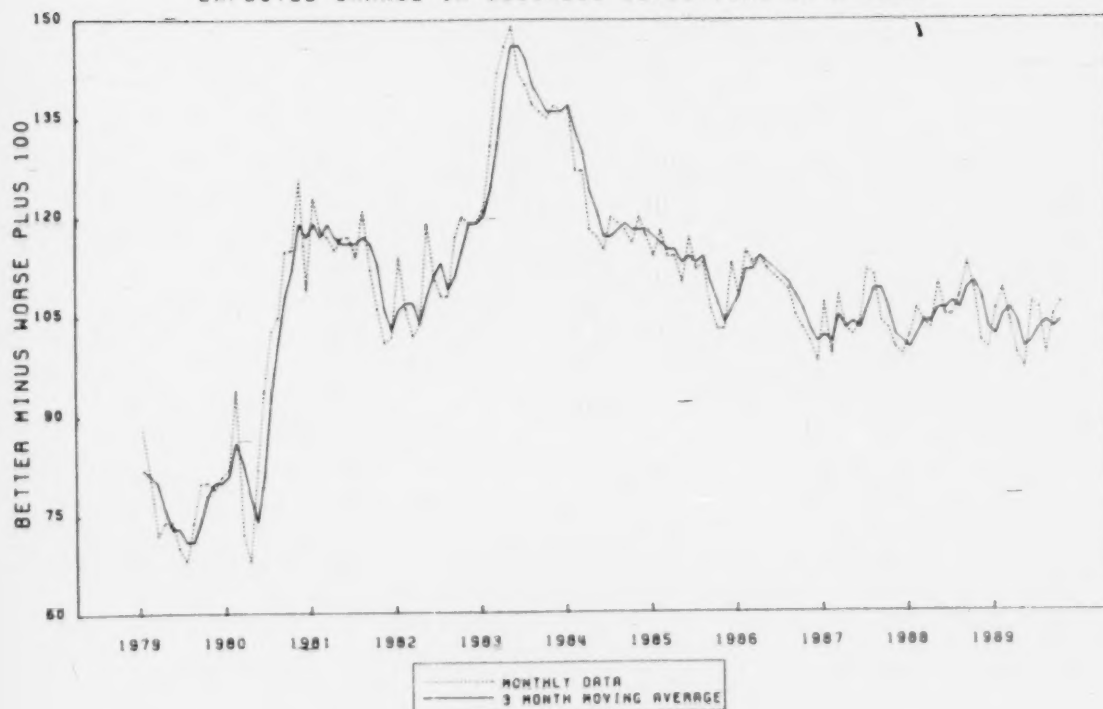


CHART 13 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

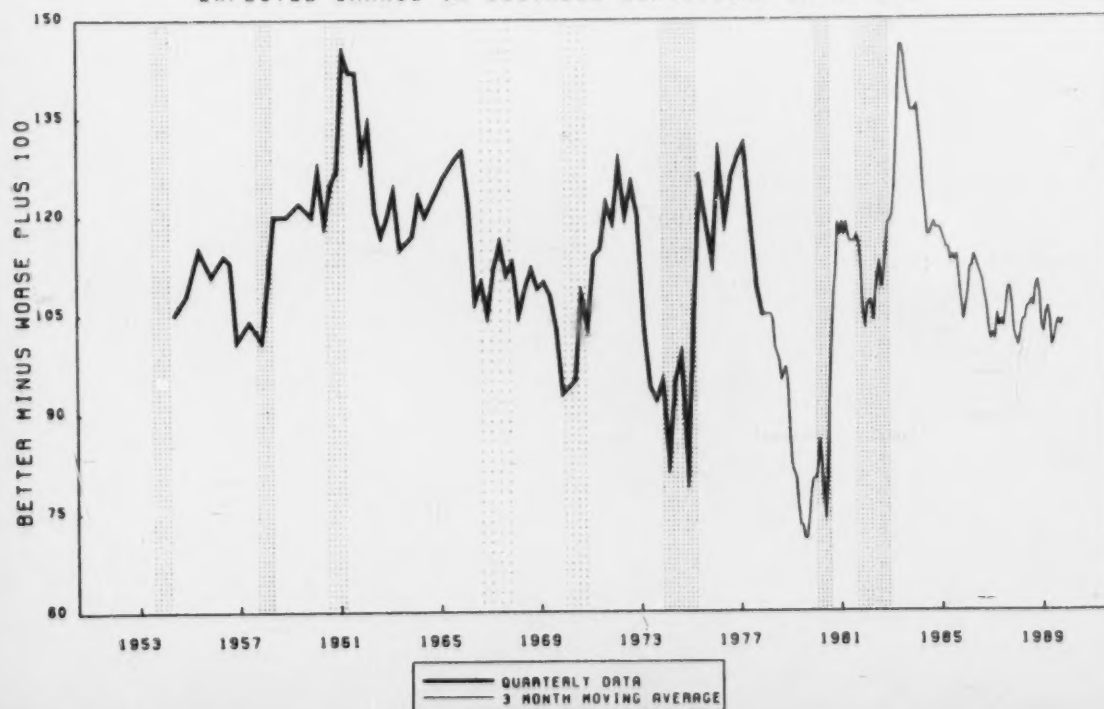


TABLE 13

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989
BETTER	23%	19%	19%	23%	26%	22%	20%	19%	24%	20%	18%	21%	22%
SAME	59	60	59	56	54	59	57	56	57	63	60	59	61
WORSE	14	18	19	17	17	18	21	22	17	14	19	16	15
DK,NA	4	3	3	4	3	1	2	3	2	3	3	4	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	508	500	501	500	502	500	503	507	501	502	506	500

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

CHART 14 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS -

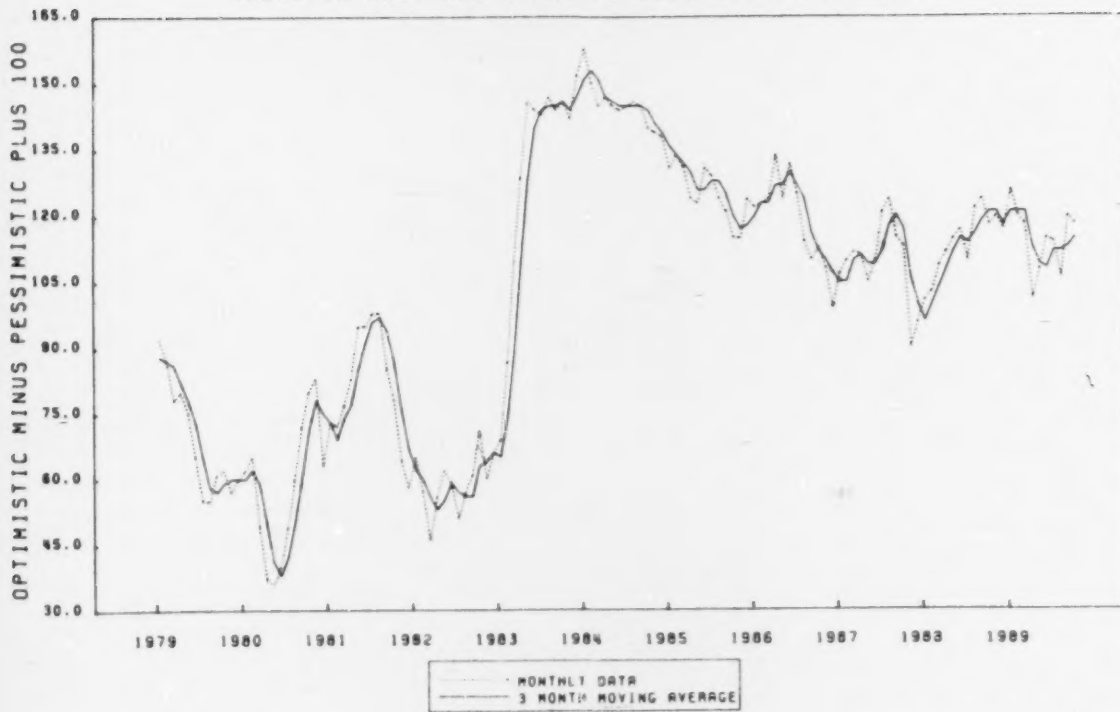


CHART 14 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

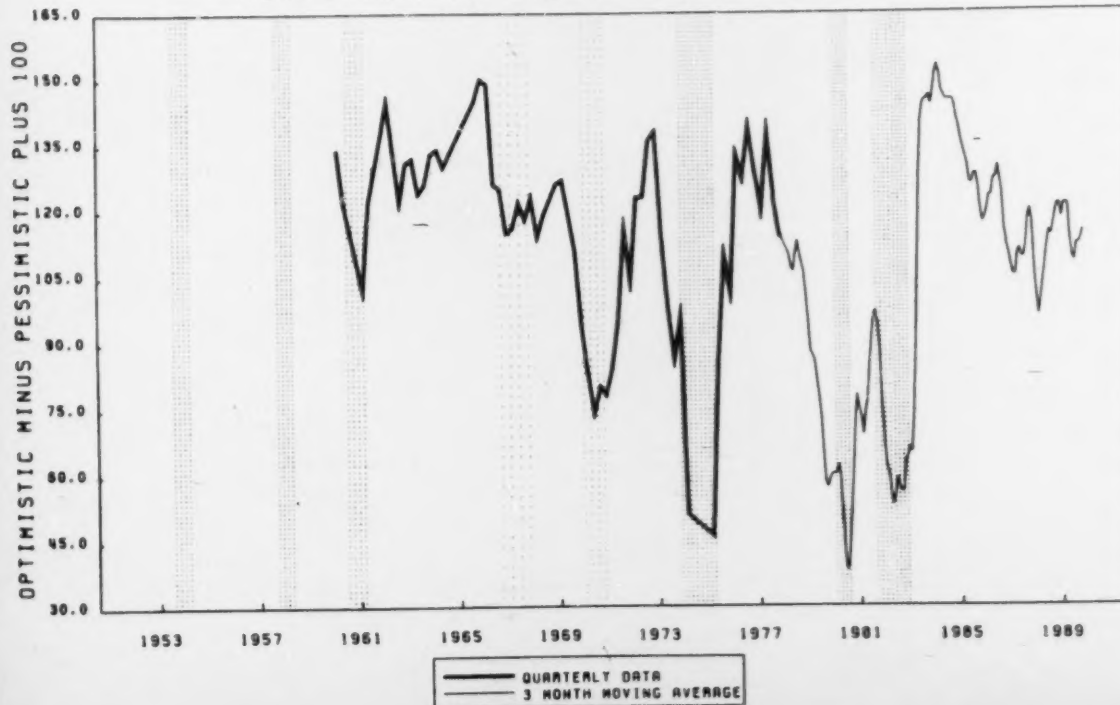


TABLE 14

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989
TREND:													
Continuous increase (a)	15%	13%	10%	16%	18%	12%	14%	13%	15%	14%	11%	14%	15%
Intermittant increase (b)	31	35	35	34	28	33	24	29	30	30	29	34	33
Remain unchanged (c)	13	10	12	11	13	16	13	12	12	16	14	12	13
Intermittant decline (d)	19	21	19	16	21	16	24	20	18	20	22	18	19
Continuous decline (e)	9	7	9	8	5	11	13	14	12	10	12	10	11
Mixed change (f)	7	10	10	9	10	9	8	7	6	4	7	6	5
DK,NA	6	4	5	6	5	3	4	5	7	6	5	6	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	508	500	501	500	502	500	503	507	501	502	506	500

Combination of the responses to the questions on Tables 12 and 13.

Key: (a) Better than a year ago/Better a year from now
 (b) Better/Same or Same/Better
 (c) Same/Same
 (d) Worse/Same or Same/Worse
 (e) Worse/Worse
 (f) Worse/Better or Better/Worse

CHART 15 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS



CHART 15 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

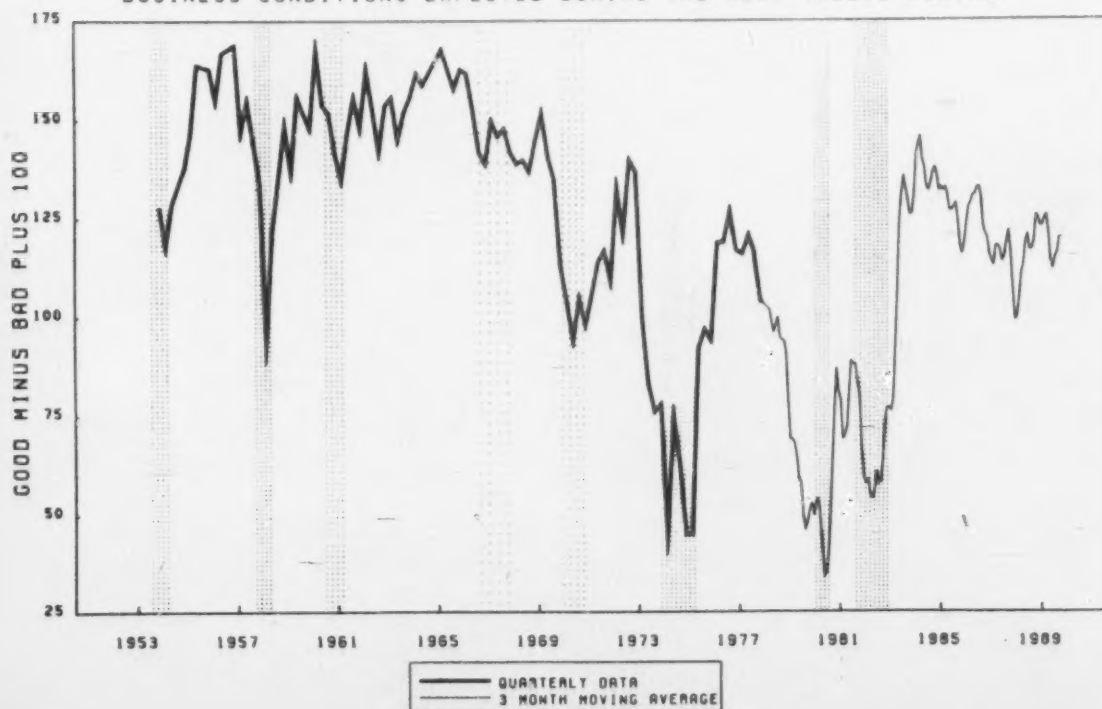


TABLE 15

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989
GOOD TIMES	54%	53%	52%	56%	56%	55%	49%	46%	48%	53%	46%	55%	53%
UNCERTAIN; GOOD & BAD	7	4	5	4	3	4	3	4	5	4	6	4	5
BAD TIMES	25	31	33	28	28	32	36	39	33	29	37	28	29
DON'T KNOW	8	7	5	7	9	5	6	6	9	7	4	6	8
NOT ASCERTAINED	6	5	5	5	4	4	6	5	5	7	7	7	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	508	500	501	500	502	500	503	507	501	502	506	500

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 16 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS



CHART 16 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

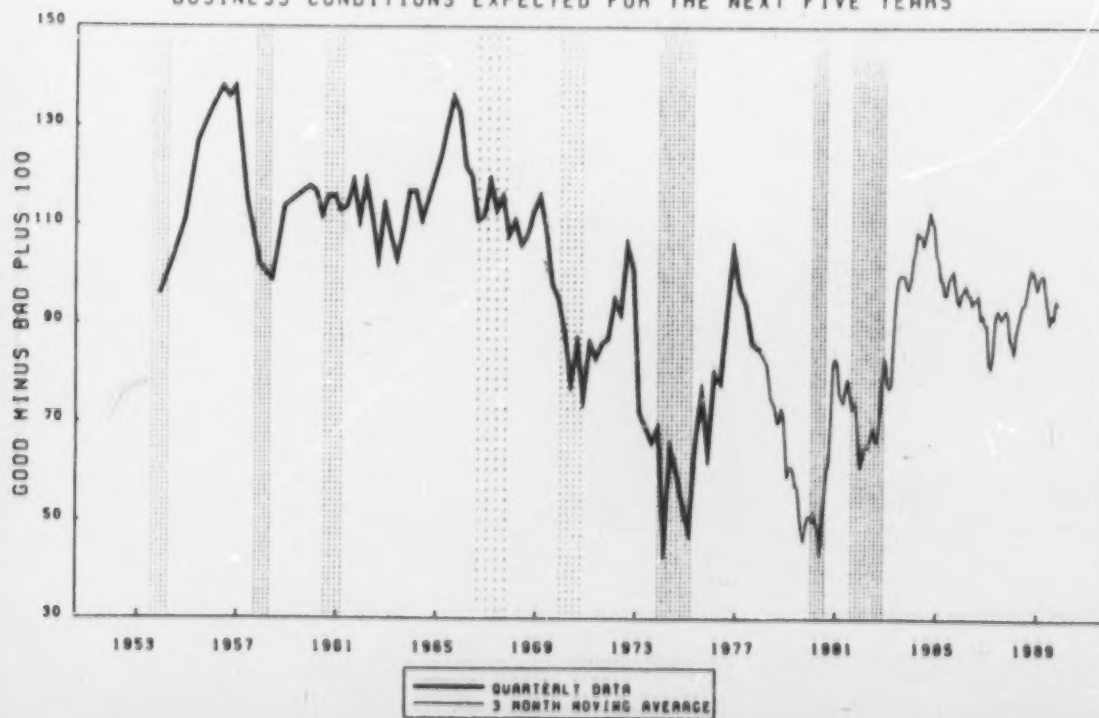


TABLE 16

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989
GOOD TIMES	40%	40%	41%	45%	41%	40%	37%	36%	37%	39%	33%	41%	36%
UNCERTAIN; GOOD & BAD	12	14	12	9	12	14	13	13	12	13	13	13	14
BAD TIMES	43	43	43	42	42	42	46	47	47	43	45	40	43
NOT ASCERTAINED	5	3	4	4	5	4	4	4	4	5	9	6	7
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	508	500	501	500	502	500	503	507	501	502	506	500

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 17 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

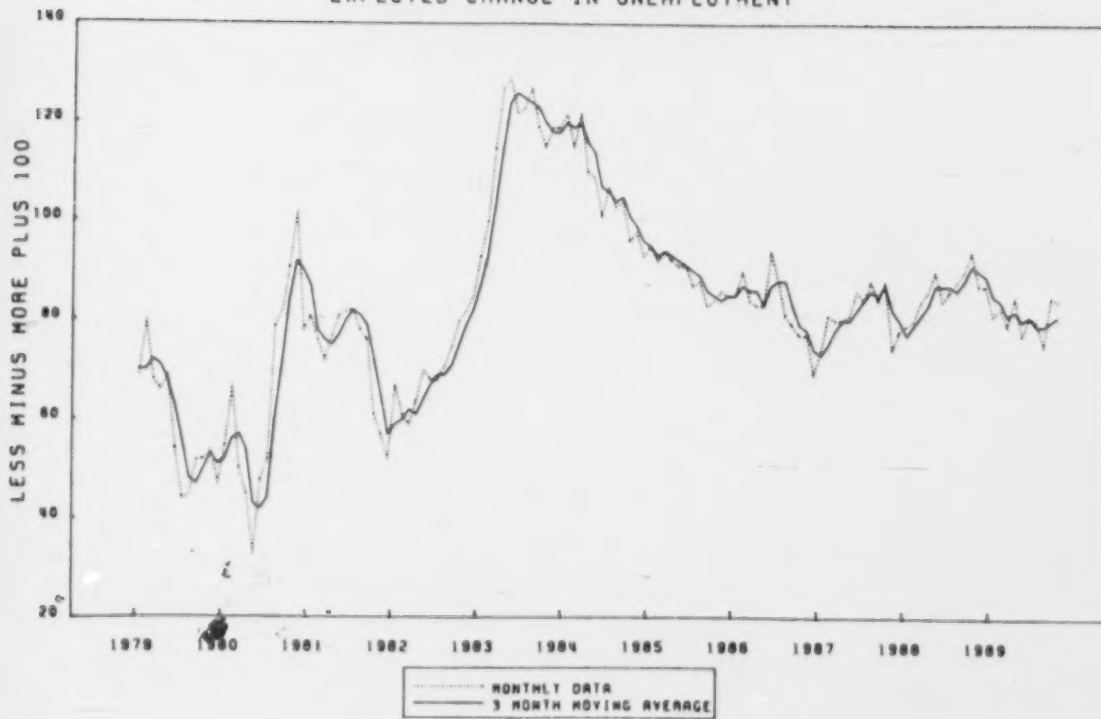


CHART 17 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

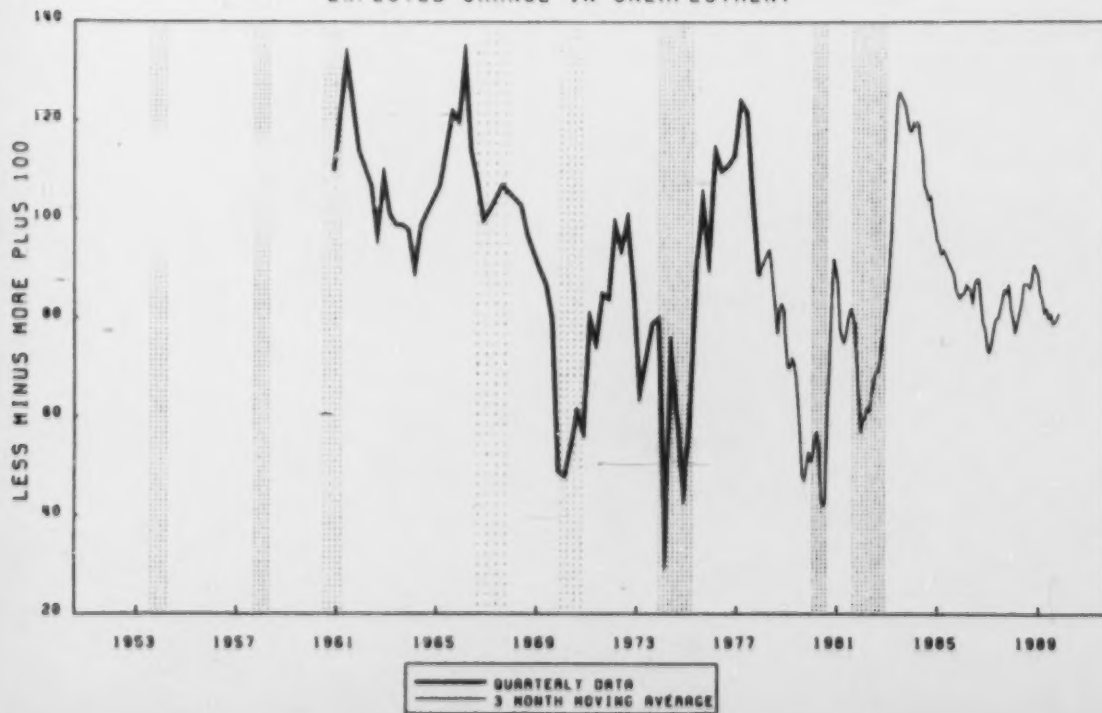


TABLE 17

EXPECTED CHANGE IN UNEMPLOYMENT

	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989
LESS	16%	14%	15%	15%	13%	12%	14%	12%	10%	11%	10%	11%	14%
SAME	60	57	55	50	55	53	55	52	59	57	54	61	55
MORE	22	27	28	34	30	33	29	35	29	31	35	26	30
DK,NA	2	2	2	1	2	2	2	1	2	1	1	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	508	500	501	500	502	500	503	507	501	502	506	500

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

CHART 18 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

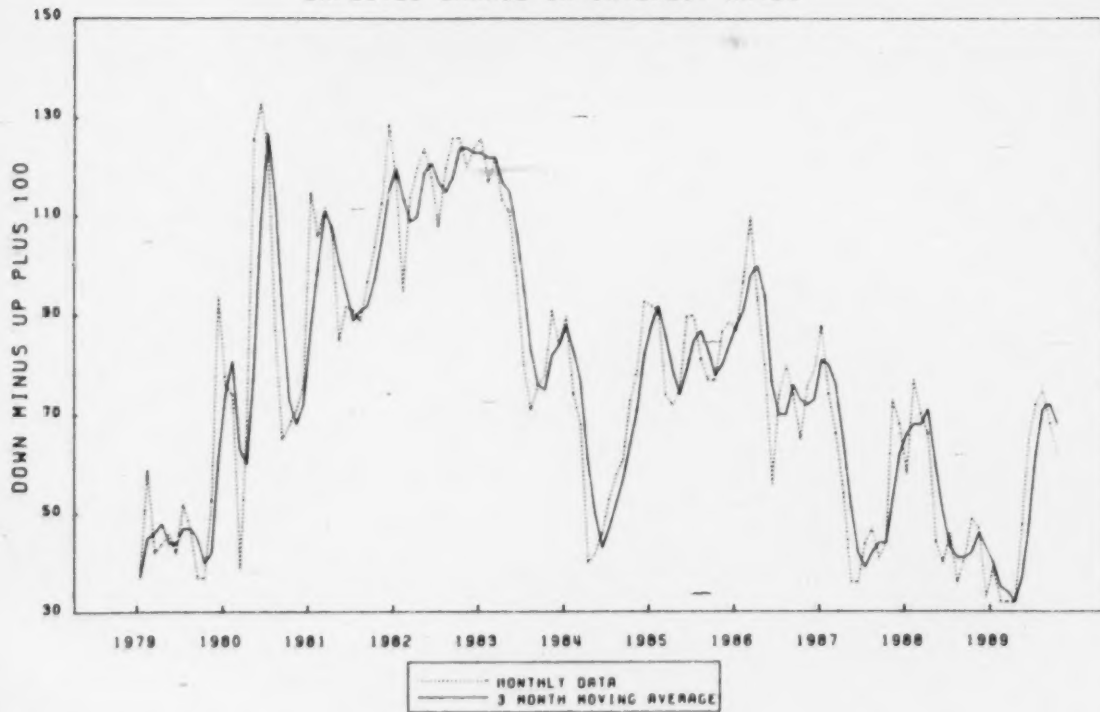


CHART 18 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

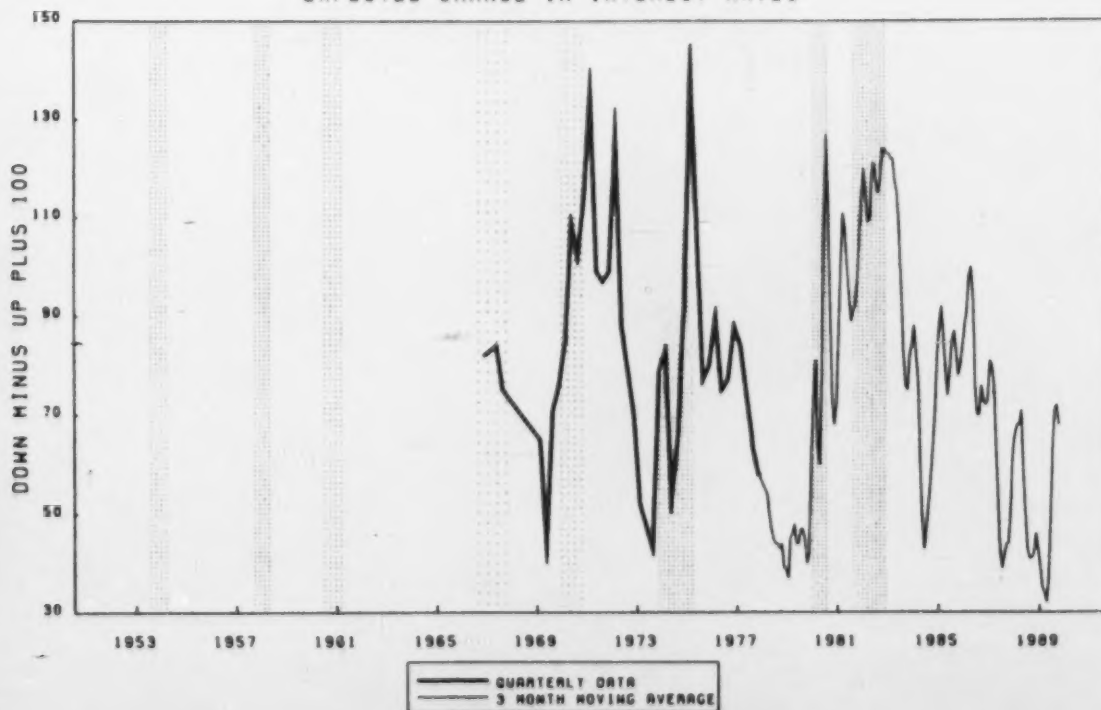


TABLE 18

EXPECTED CHANGE IN INTEREST RATES

	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989
GO UP	62%	62%	74%	68%	75%	73%	75%	64%	54%	51%	49%	50%	55%
STAY THE SAME	24	27	16	23	16	20	17	20	24	25	24	30	26
GO DOWN	11	9	7	7	7	5	7	12	19	23	24	18	17
DK,NA	3	2	3	2	2	2	1	4	3	1	3	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	508	500	501	500	502	500	503	507	501	502	506	500

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 19 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS



CHART 19 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

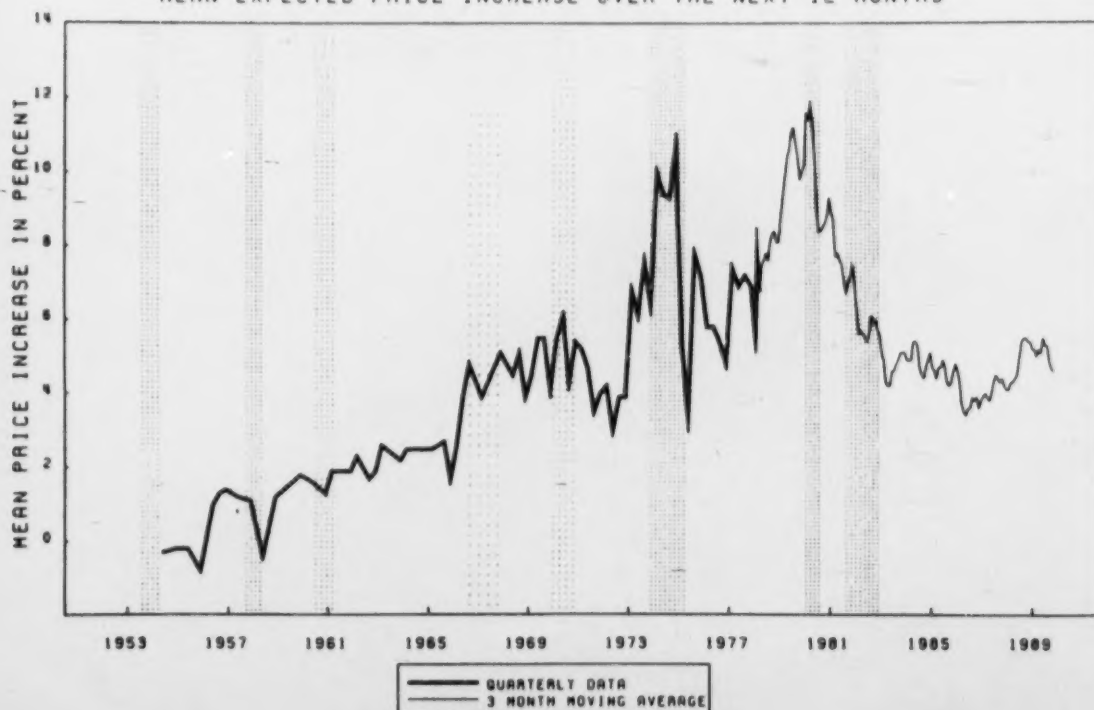


TABLE 19

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989
SAME OR DOWN	9%	11%	10%	10%	11%	12%	8%	10%	10%	10%	13%	13%	12%
WILL GO UP BY:													
1-2%	20	15	16	20	15	18	17	16	18	18	18	21	19
3-4%	21	28	26	23	24	23	23	19	24	21	23	24	23
5%	20	18	20	19	22	17	21	23	19	22	21	21	19
6-9%	8	8	8	9	10	9	10	9	9	9	6	6	9
10-14%	9	9	11	7	8	9	10	11	10	8	9	6	8
15% or more	5	5	4	6	4	7	5	7	5	5	3	3	3
DK how much up	6	5	4	5	5	4	6	4	5	6	6	5	5
DK, NA	2	1	1	1	1	1	*	1	*	1	1	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	5.2	5.4	5.0	5.1	4.8	5.6	5.0	5.8	5.0	5.1	4.7	4.4	4.7
VARIANCE	40	55	32	41	29	64	24	49	34	39	42	32	32
CASES	501	508	500	501	500	502	500	503	507	501	502	506	500

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 20 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

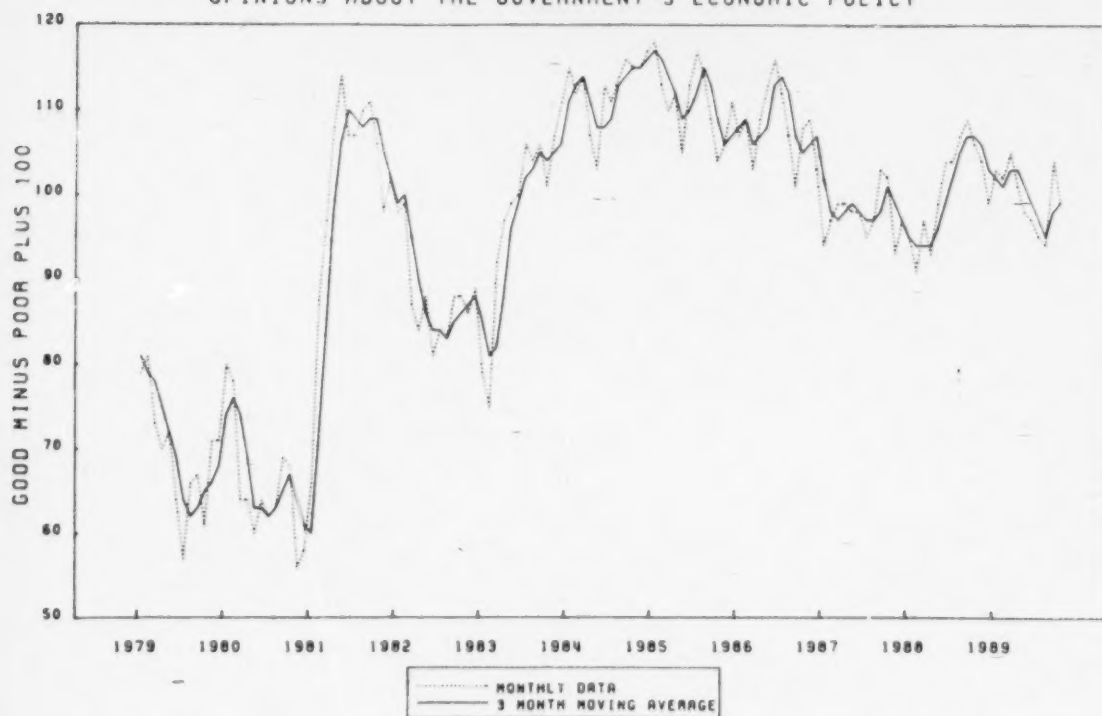


CHART 20 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

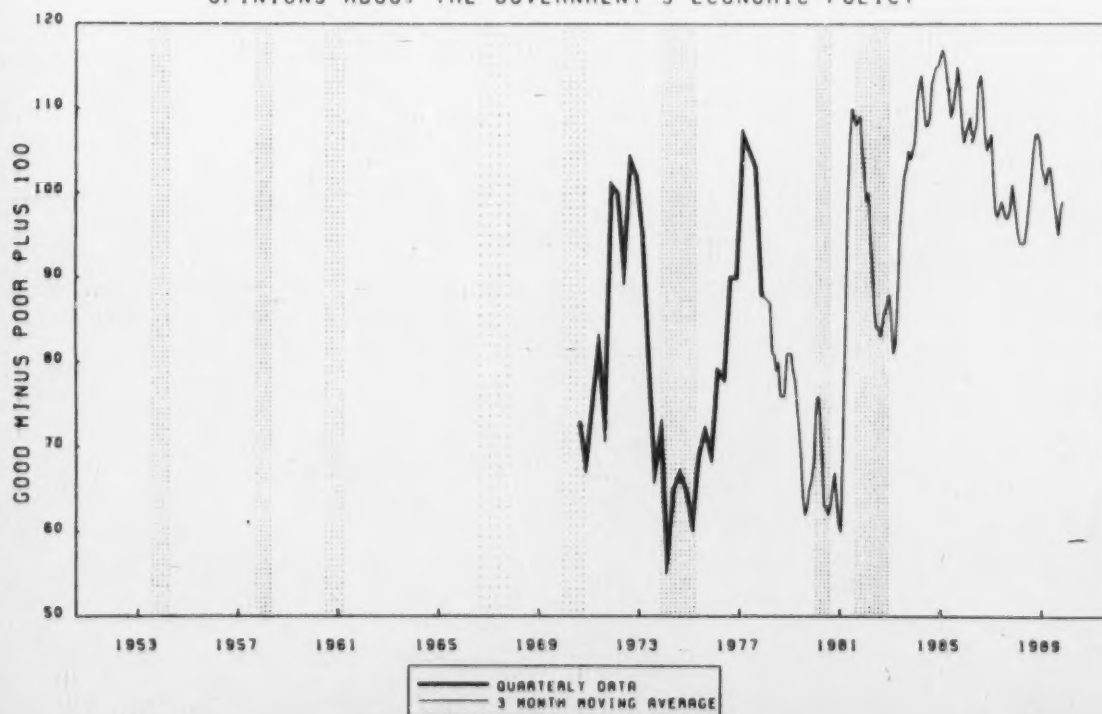


TABLE 20

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989
A GOOD JOB	26%	27%	20%	27%	23%	25%	19%	19%	20%	18%	18%	21%	18%
ONLY FAIR	51	49	57	48	51	52	59	57	55	56	56	60	61
A POOR JOB	20	23	21	24	21	20	18	21	23	23	24	17	19
DK,NA	3	1	2	1	5	3	4	3	2	3	2	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	508	500	501	500	502	500	503	507	501	502	506	500

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 21 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

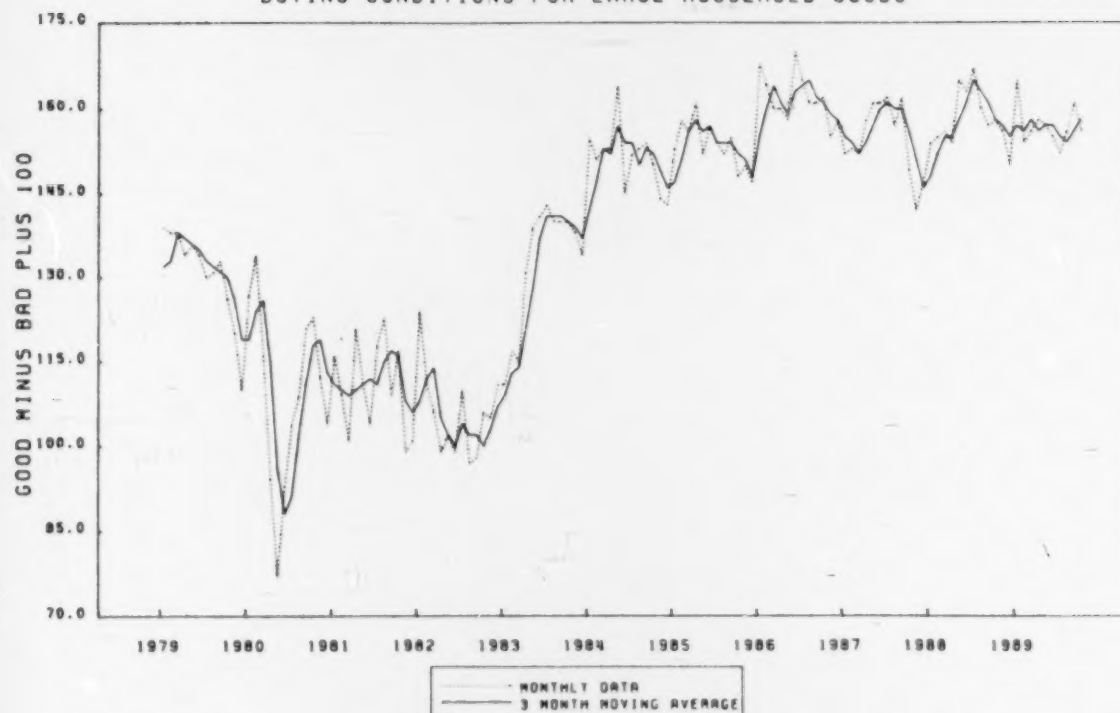


CHART 21 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

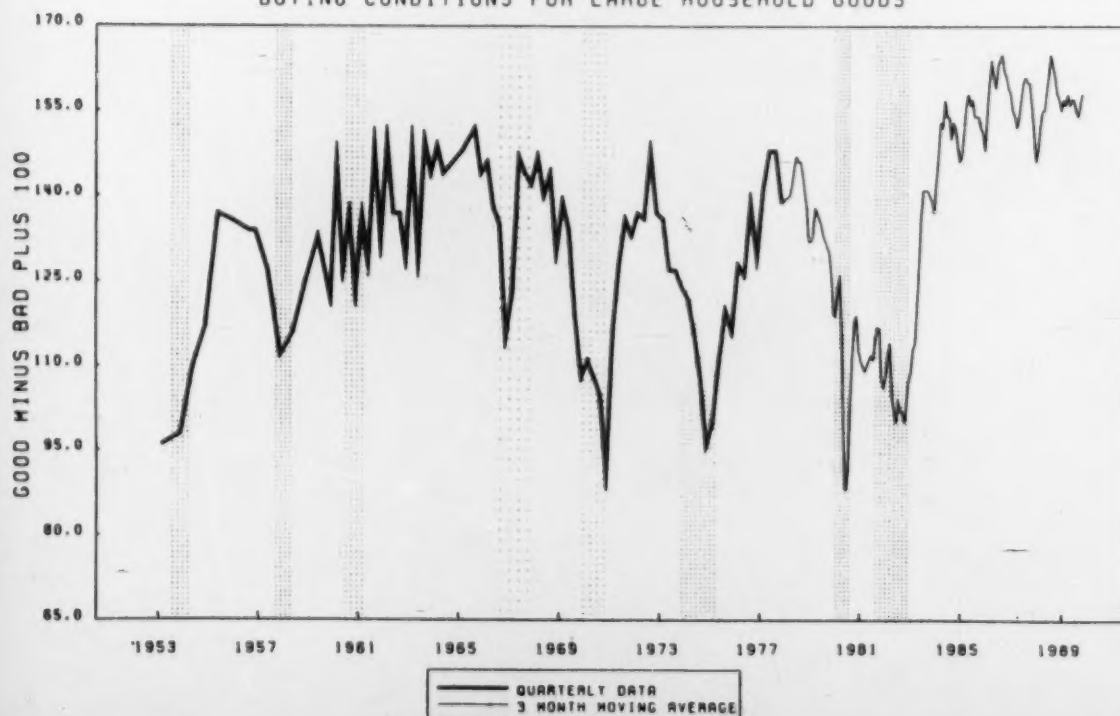


TABLE 21

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989
GOOD TIME TO BUY	73%	73%	70%	78%	71%	72%	75%	73%	71%	71%	73%	75%	73%
UNCERTAIN, DEPENDS	12	10	10	9	12	12	8	11	13	10	10	11	10
BAD TIME TO BUY	15	17	20	13	17	16	17	16	16	19	17	14	17
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	508	500	501	500	502	500	503	507	501	502	506	500

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 22A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

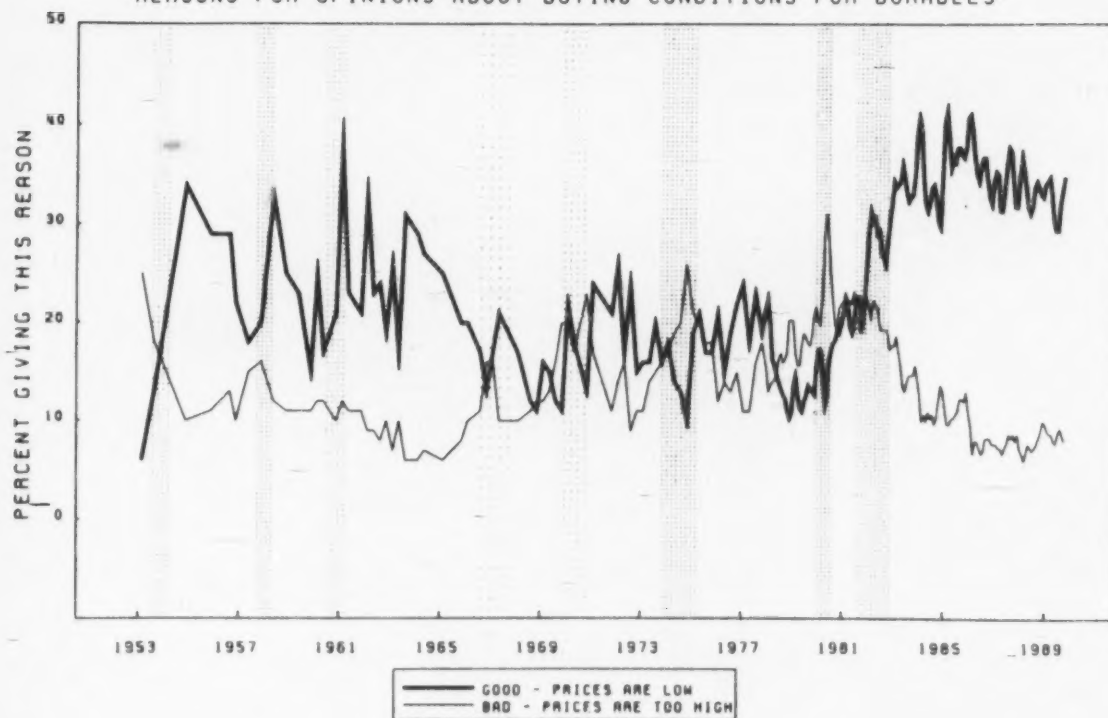


CHART 22B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

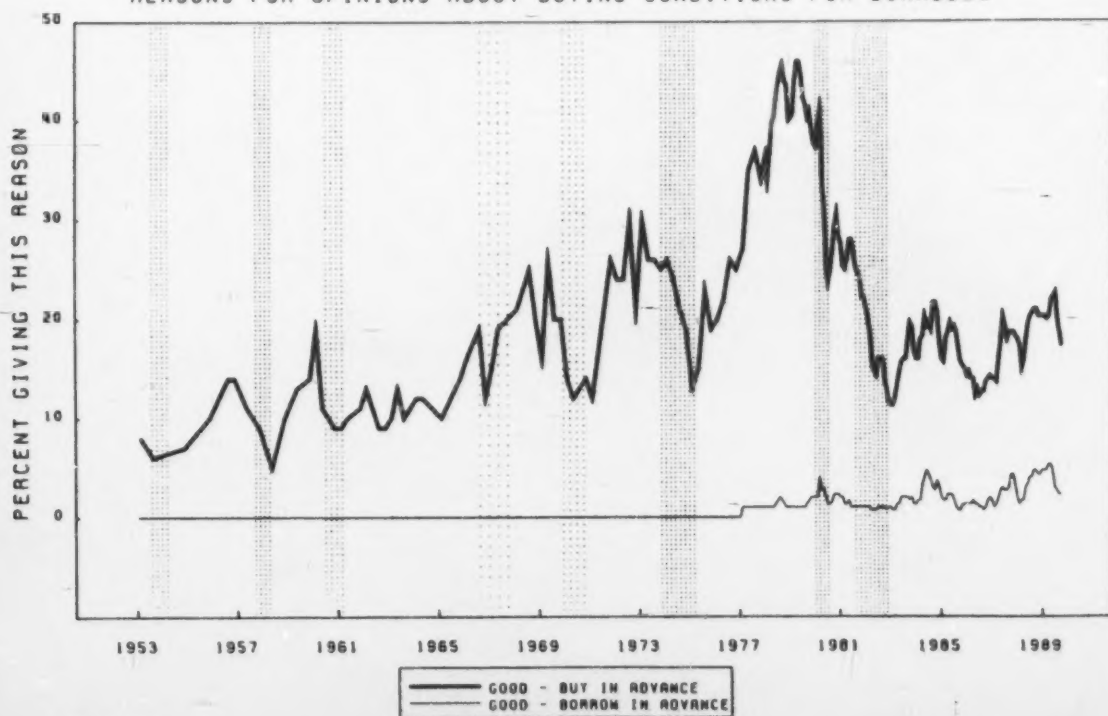


TABLE 22

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept. 1989	Oct. 1989
--	--------------	--------------	--------------	--------------	--------------	--------------	--------------	-------------	--------------	--------------	--------------	---------------	--------------

GOOD TIME TO BUY:

Prices are low; good buys available	32%	34%	32%	36%	35%	33%	31%	27%	30%	31%	35%	34%	35%
Prices won't come down; are going higher	21	19	21	21	19	20	22	24	21	23	16	17	19
Interest rates are low	7	8	4	5	4	6	4	5	5	7	7	7	5
Borrow-in-advance of rising interest rates	4	4	5	5	4	5	7	4	3	2	3	2	2
Times are good; prosperity	8	5	7	7	9	7	8	6	6	5	2	8	6

BAD TIME TO BUY:

Prices are high	8	11	11	7	9	10	7	7	9	10	9	7	8
Interest rates are high; credit is tight	4	3	5	2	5	5	8	5	6	4	4	2	3
Times are bad; can't afford to buy	4	3	3	4	5	4	4	4	3	3	2	4	4
Bad times ahead; uncertain future	2	1	3	3	3	1	2	3	3	3	3	2	2

Responses to the query: "Why do you say so?" following the question on Table 21.
+ : May add to more than 100% due to multiple mentions.

CHART 22C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

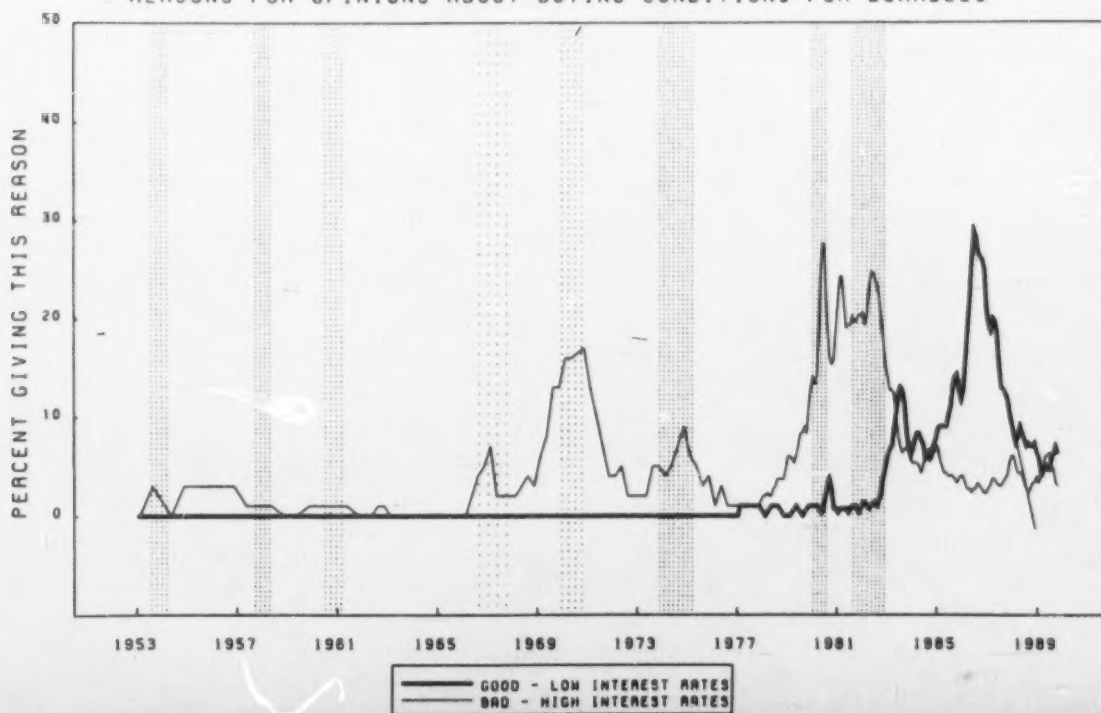


CHART 23 - RECENT CHANGES -
BUYING CONDITIONS FOR HOUSES

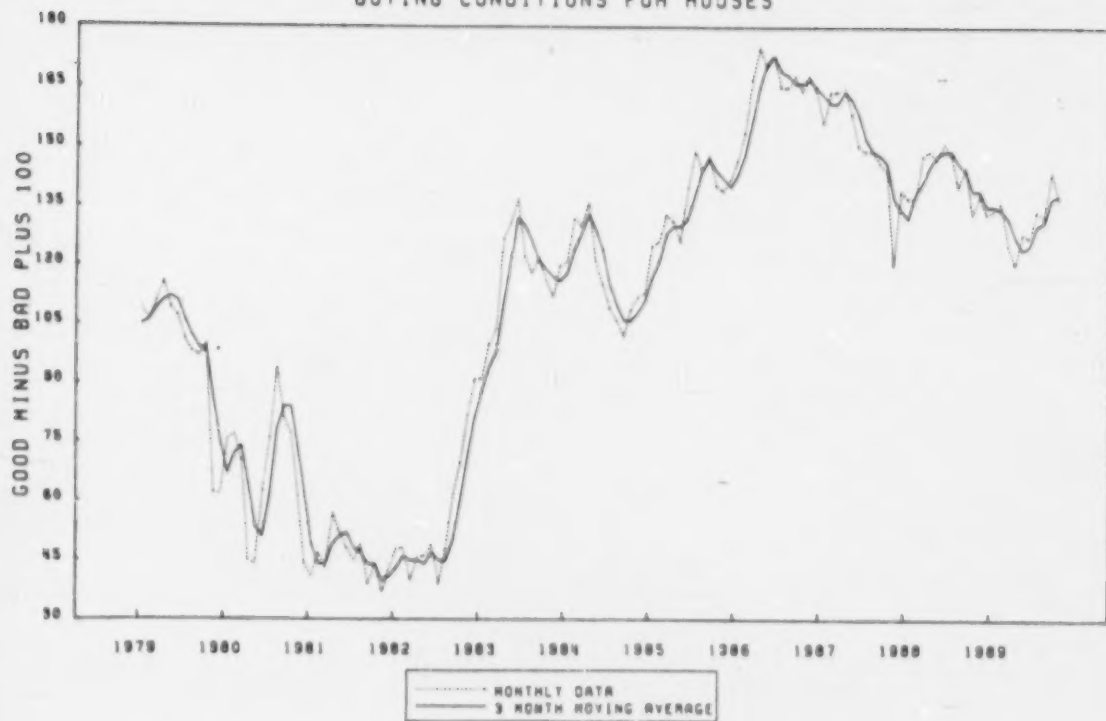


CHART 23 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

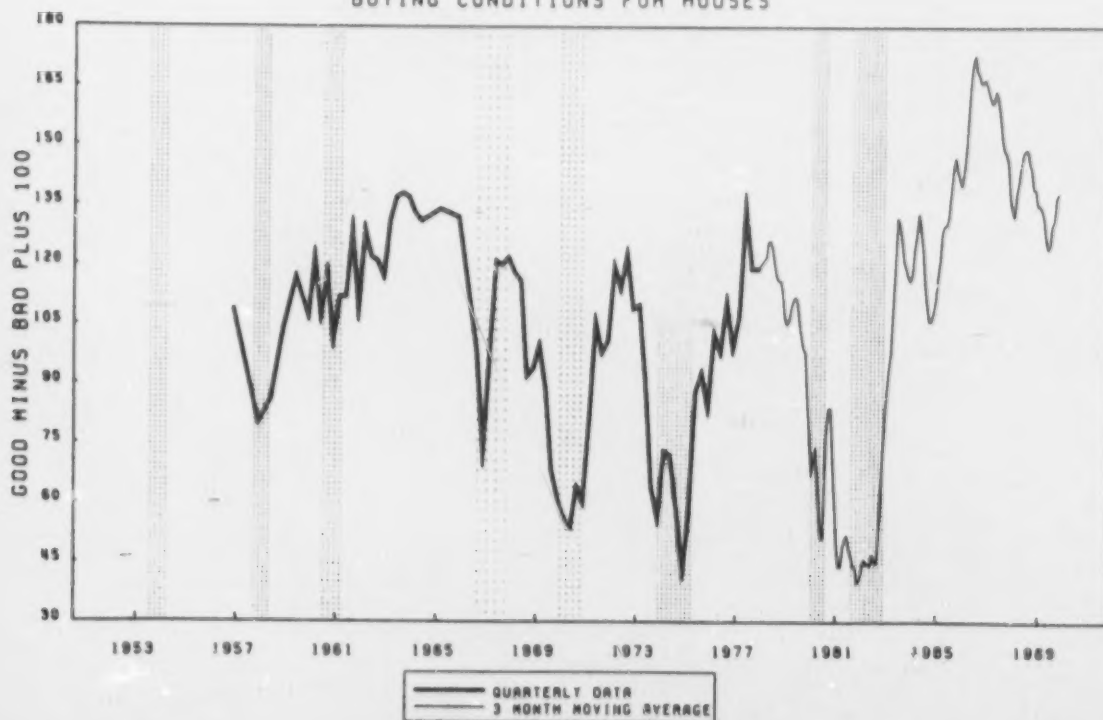


TABLE 23

BUYING CONDITIONS FOR HOUSES

	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989
GOOD TIME TO BUY	64%	67%	63%	64%	64%	60%	58%	61%	61%	64%	64%	70%	66%
UNCERTAIN, DEPENDS	5	4	7	6	8	5	4	6	5	6	4	4	5
BAD TIME TO BUY	31	29	30	30	28	35	38	33	34	30	32	26	29
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	508	500	501	500	502	500	503	507	501	502	506	500

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 24A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

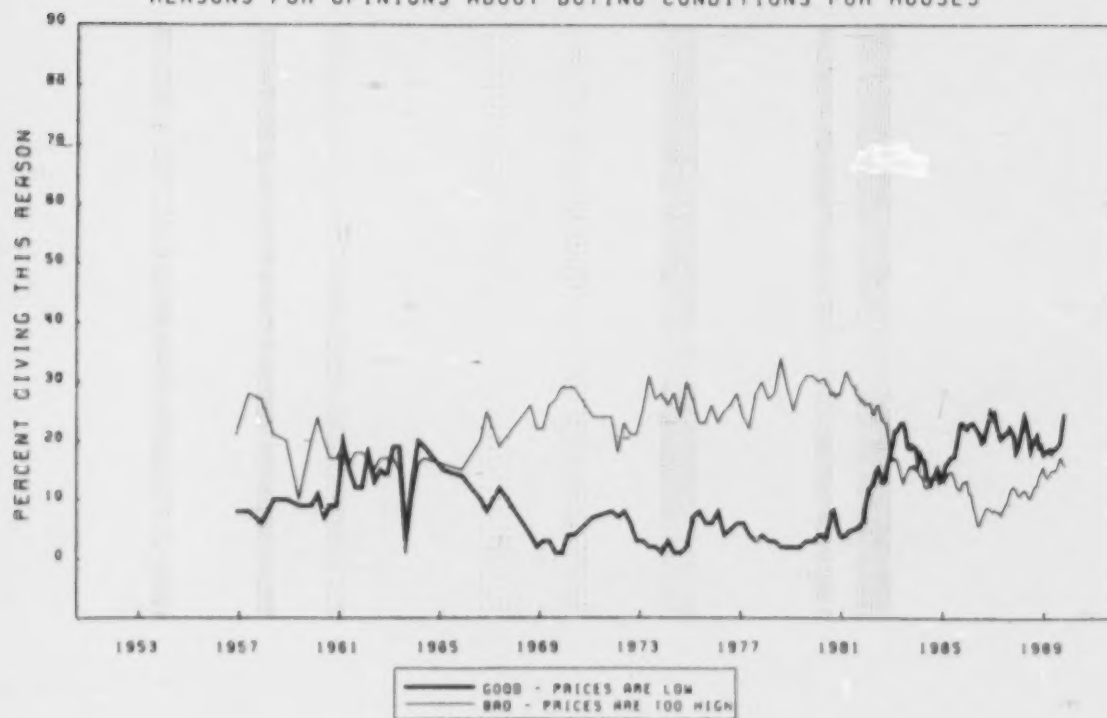


CHART 24B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

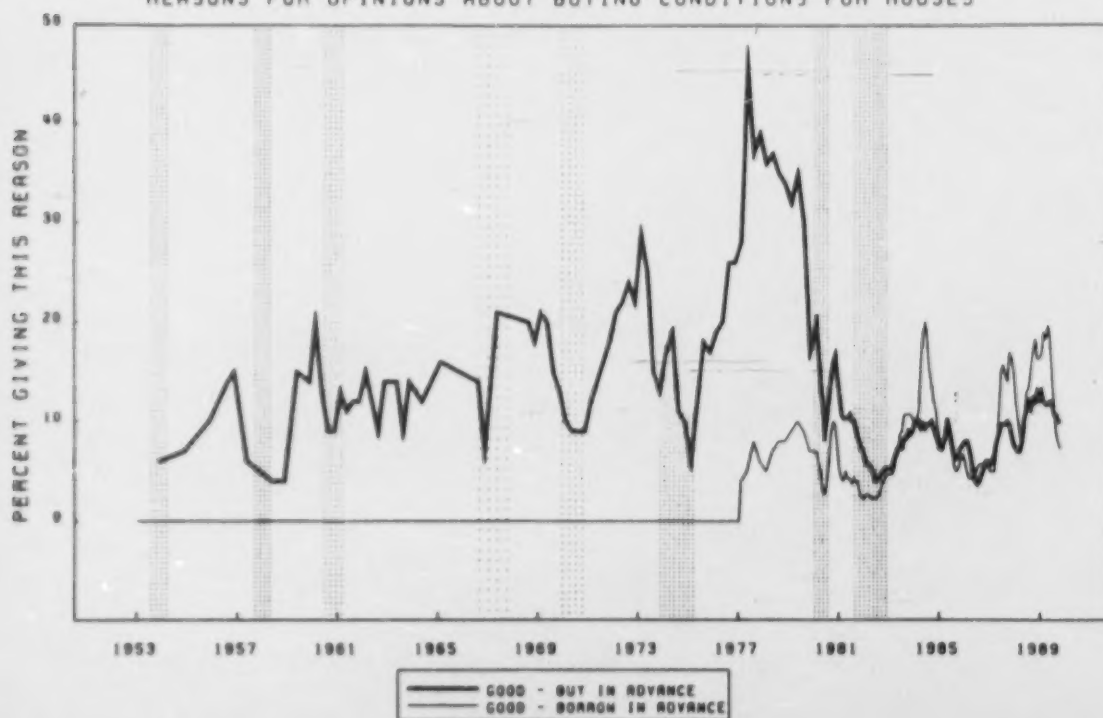


TABLE 24

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989
GOOD TIME TO BUY:													
Prices are low; good buys available	18%	19%	16%	19%	20%	17%	17%	22%	17%	19%	23%	25%	26%
Prices won't come down; are going higher	11	13	13	13	10	12	13	11	12	9	11	10	9
Interest rates are low	25	33	19	22	20	17	16	16	22	27	28	36	29
Borrow-in-advance of rising interest rates	15	13	21	16	20	19	20	15	11	8	8	8	6
Good investment	9	10	8	7	7	9	6	8	9	8	6	7	6
Times are good; prosperity	4	3	3	4	5	2	4	4	3	5	3	4	5
BAD TIME TO BUY:													
Prices are high	18	15	14	14	13	16	16	13	16	18	18	14	15
Interest rates are high; credit is tight	16	12	18	16	12	24	28	25	23	15	15	14	13
Times are bad; can't afford to buy	5	6	3	5	6	7	7	6	5	6	6	6	6
Bad times ahead; uncertain future	3	3	5	4	3	3	4	3	2	2	2	2	1

Responses to the query: "Why do you say so?" following the question on Table 23.
+ : May add to more than 100% due to multiple mentions.

CHART 24C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

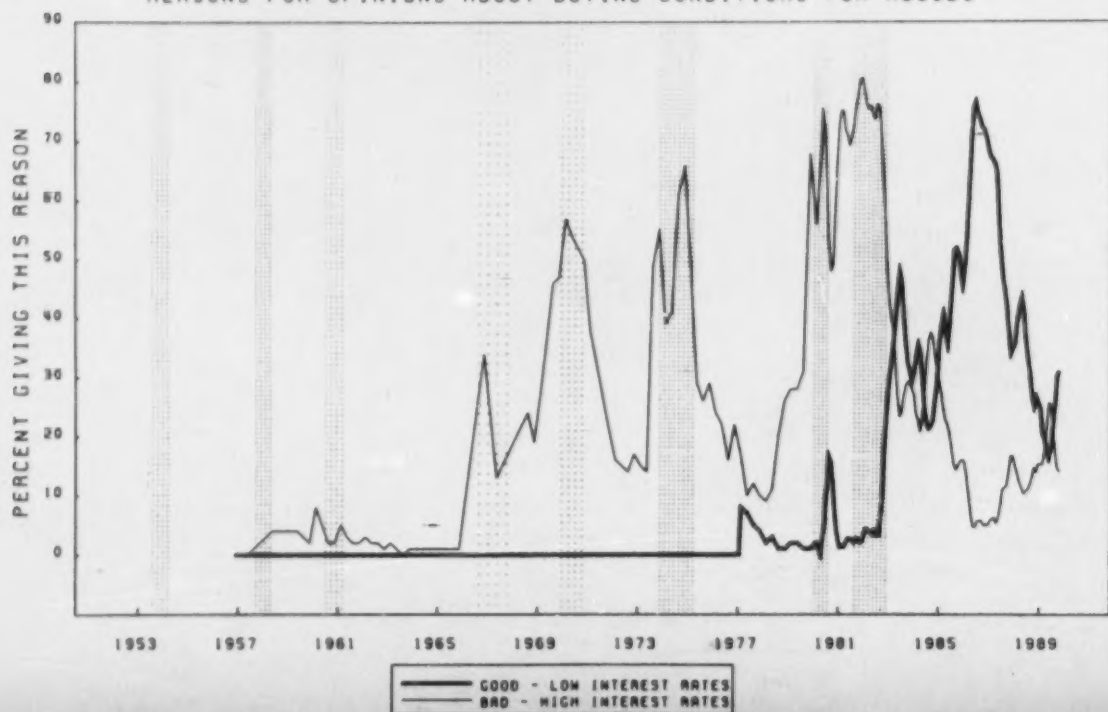


CHART 25 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

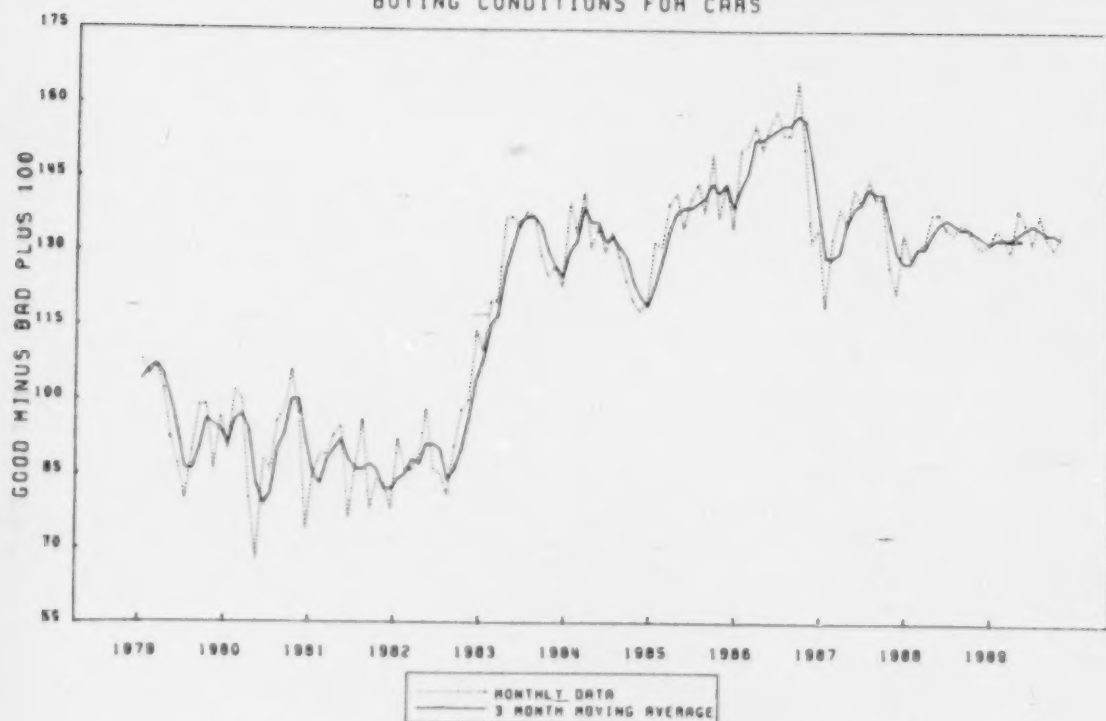


CHART 25 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

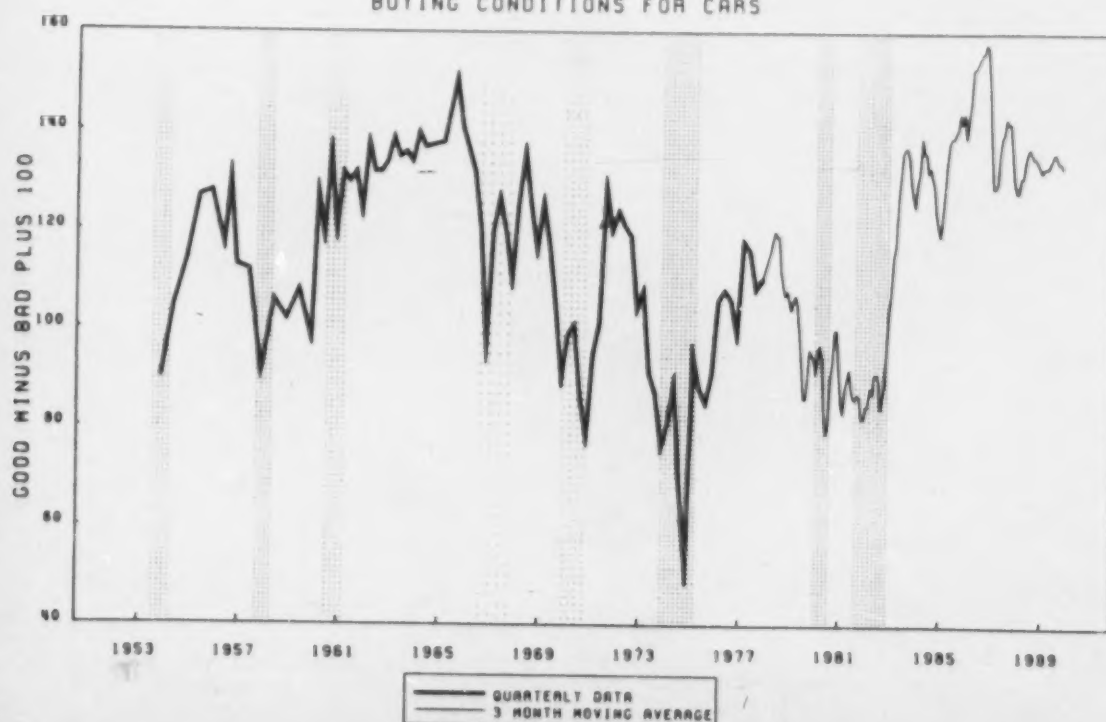


TABLE 25

BUYING CONDITIONS FOR CARS

	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989
GOOD TIME TO BUY	60%	61%	61%	62%	61%	61%	65%	63%	61%	64%	61%	61%	62%
UNCERTAIN; DEPENDS	12	9	10	11	11	8	9	10	10	10	11	9	10
BAD TIME TO BUY	28	30	29	27	28	31	26	27	29	26	28	30	28
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	508	500	501	500	502	500	503	507	501	502	506	500

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 26A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

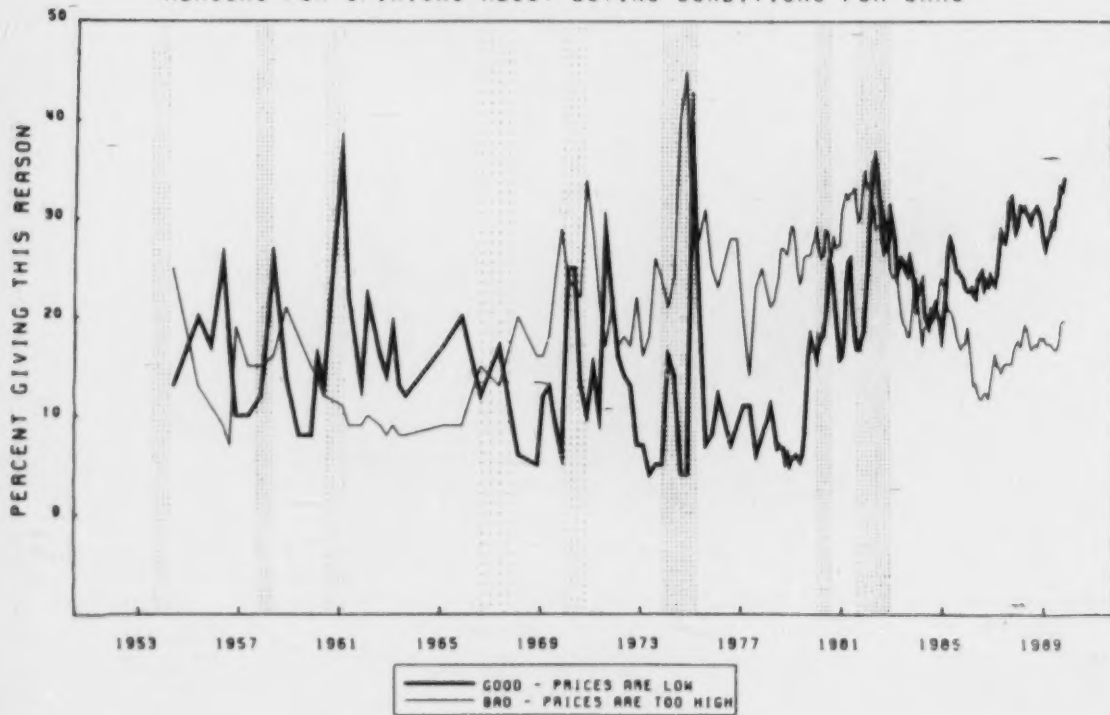


CHART 26B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

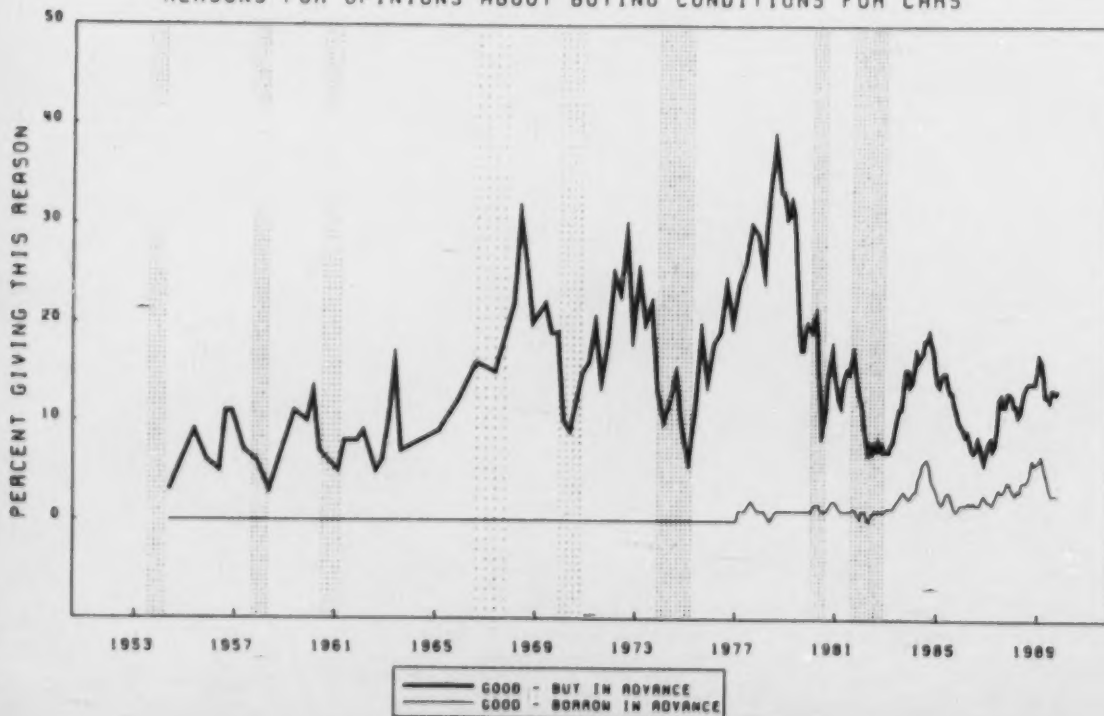


TABLE 26

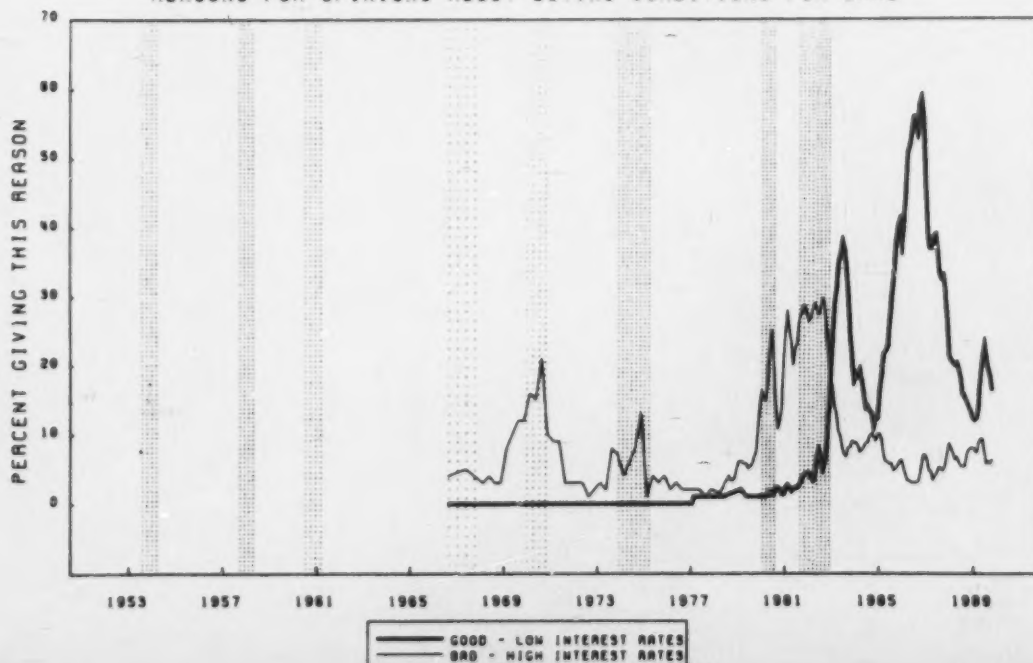
SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	Oct. 1988	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989
GOOD TIME TO BUY:													
Prices are low; good buys available	31%	27%	26%	28%	30%	27%	32%	29%	33%	32%	35%	32%	36%
Prices won't come down; are going higher	13	15	17	18	14	12	12	14	11	15	14	10	16
Interest rates are low	12	14	11	11	15	15	25	23	21	19	18	18	13
Borrow-in-advance of rising interest rates	7	4	7	7	6	5	4	4	2	2	4	2	2
Times are good; prosperity	4	4	4	5	4	3	3	3	2	3	2	4	3
BAD TIME TO BUY:													
Prices are high	19	17	18	17	17	18	16	16	18	18	22	19	18
Interest rates are high; credit is tight	8	7	9	7	6	13	9	6	7	4	7	6	6
Times are bad; can't afford to buy	3	2	4	2	4	2	3	4	3	2	2	5	4
Bad times ahead; uncertain future	1	2	3	1	1	2	3	2	1	1	2	1	2
Poor selection; quality	5	3	2	4	3	3	2	3	2	3	2	3	2

Responses to the query: "Why do you say so?" following the question on Table 25.
+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 26C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS



EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES

THE INDEX OF CONSUMER SENTIMENT

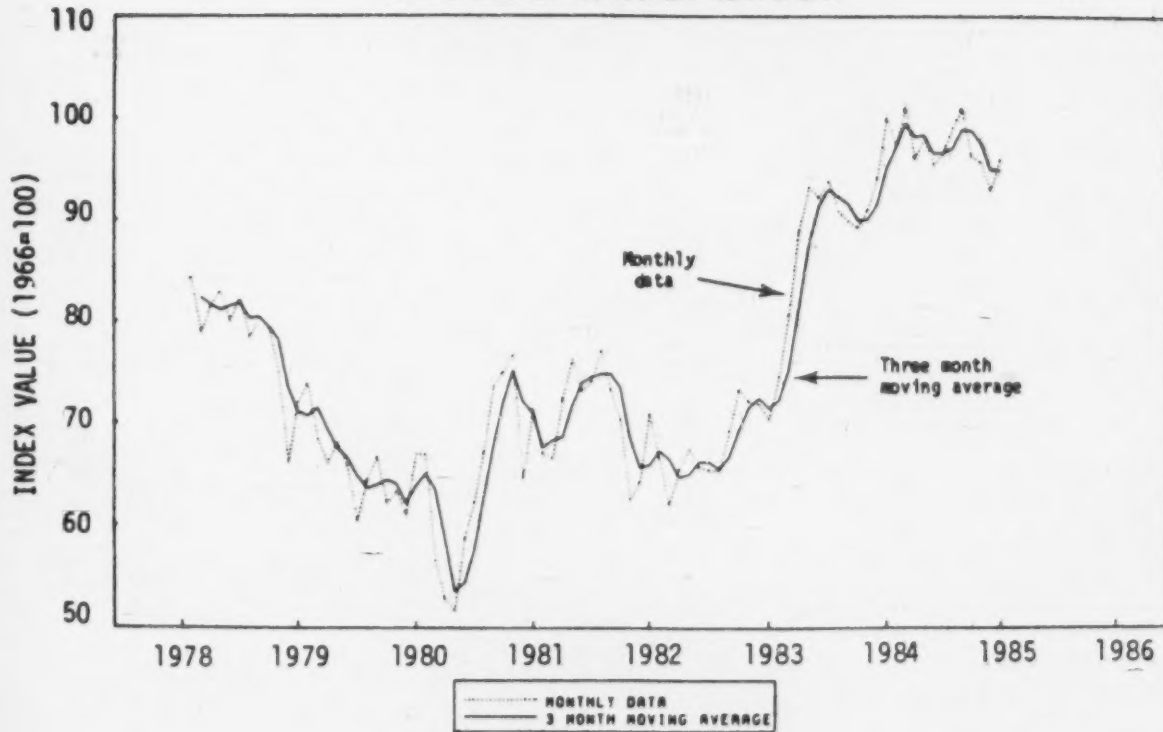
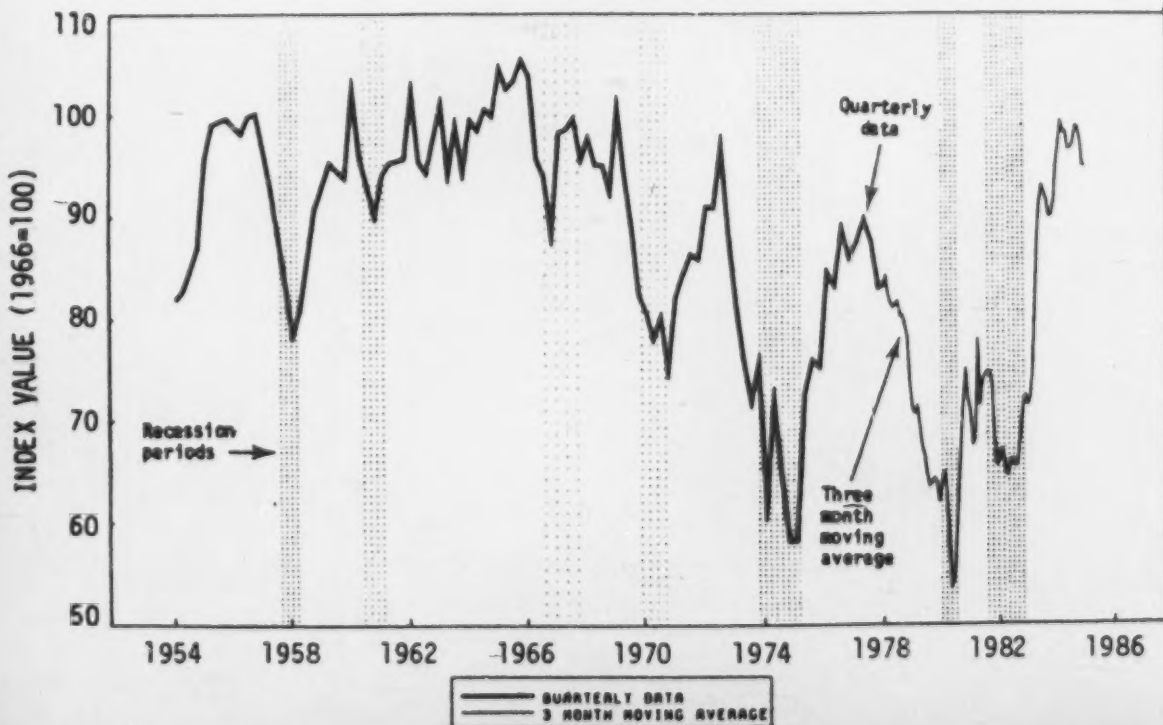


CHART 1 - HISTORICAL SERIES

THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHARTS

DATA POINTS

QUARTERLY DATA: Data collected by surveys conducted at three month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE-MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

TIME SCALE

Each tic mark on the time scale represents the month of January for the indicated year.

RECESSION PERIODS

November	1948 - October	1949
July	1953 - May	1954
August	1957 - April	1958
April	1960 - February	1961
June	1966 - November	1967*
December	1969 - November	1970
November	1973 - March	1975
January	1980 - July	1980
July	1981 - November	1982

Recession dates are determined by the National Bureau of Economic Research.

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters

***GROWTH RECESSION:** Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

RECOMMENDED ALLOWANCE FOR SAMPLING ERROR OF A PERCENTAGE
(Sampling Error Allowance in Percentage Points¹)

For Estimated Percentage Near	Number of Interviews											
	100	200	300	400	500	750	1000	1250	1500	2000	2500	3000
1% or 99%	2.2	1.6	1.3	1.1	1.0	0.8	0.7	0.6	0.6	0.5	0.4	0.4
5% or 95%	4.9	3.5	2.8	2.4	2.2	1.8	1.5	1.4	1.3	1.1	1.0	0.9
10% or 90%	6.7	4.8	3.9	3.4	3.0	2.4	2.1	1.9	1.7	1.5	1.3	1.2
20% or 80%	9.0	6.3	5.2	4.5	4.0	3.3	2.8	2.5	2.3	2.0	1.8	1.6
30% or 70%	10.3	7.3	5.9	5.1	4.6	3.7	3.2	2.9	2.6	2.3	2.0	1.9
40% or 60%	11.0	7.8	6.3	5.5	4.9	4.0	3.5	3.1	2.8	2.4	2.2	2.0
50%	11.2	7.9	6.5	5.6	5.0	4.1	3.5	3.2	2.9	2.5	2.2	2.0

¹The figures in this table represent two standard errors. Hence, the chances are 95 in 100 that the true percentage lies within a range equal to the observed percentage, plus or minus the sampling error.



Surveys of Consumers



Richard T. Curtin, *Director*

Slow Growth But No Recession Expected: Consumers Wait for Larger Discounts

Index Slips

The Index of Consumer Sentiment was 90.9 in the November 1989 survey, down from 93.9 in October and 93.0 in November 1988. The November decline was due to an increasing awareness of sluggish economic growth, as well as concern over market prices for household durables.

Among families with incomes of \$40,000 or more, the Index of Consumer Sentiment was 100.5 in November, down from 103.6 one month earlier and 101.0 one year earlier.

The most remarkable aspect of recent attitude trends is that consumers' assessments have remained favorable despite the expectation of little if any improvement in the national economy. In an earlier era, the expectation of a stagnant economy would have been a serious cause for concern, and would have resulted in a sharp loss in consumer confidence. Times change, and so do people's standards of comparison.

At present, assessments do not depend as much on whether the economy is meeting its potential for growth like in the 1960s, but on whether the economy can avoid the excesses and hardships of the 1970s, when pessimism and uncertainty prevailed.

Importantly, the 1980s brought a renewed sense of confidence in the stability of the economy—even if stagnant—and has helped to insulate consumer attitudes from volatile changes. Slower growth has

not yet been viewed as a signal of an impending recession, as was often true in the past.

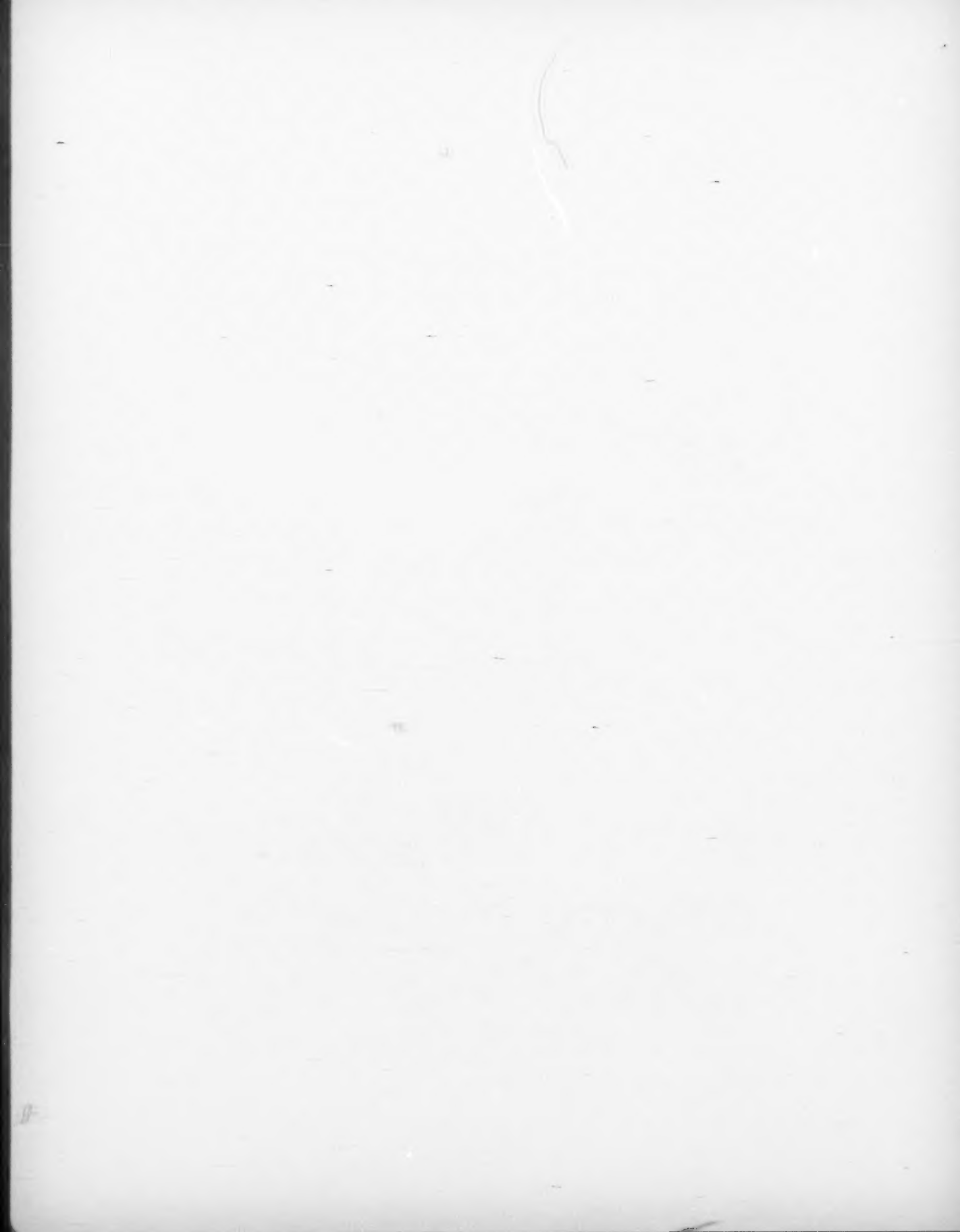
Indeed, consumers now expect the sluggish economy to keep pressure on sellers to offer even larger discounts on prices and interest rates. Although at first confined to a few industries, consumers have now come to expect all sellers to offer discounts, and to time their purchases to their availability.

The withdrawal of discounts is now met with sharp declines in sales, both because consumers have sped up purchases to take advantage of earlier discounts, and because consumers are more willing to postpone purchases as they expect renewed discounting in the future.

And thus the waiting game, as both buyers and sellers attempt to gauge the limits of each others willingness to wait. And after seven years of economic expansion, consumers can wait a relatively long time before they need to replace or upgrade their durable stock.

Leading Indicator Posts Small Decline

The Index of Consumer Expectations, the component of the Index of Leading Indicators, fell to 84.3 in the November 1989 survey, down from 87.2 in October and 86.3 in November 1988. Overall, the November reading of 84.3 is only marginally below the third quarter 1989 average of



84.8. The primary reason for the recent decline in the Expectations Index was less favorable evaluations of the national economy.

The other component of the Index of Consumer Sentiment, which measures opinions of current economic conditions, fell to 101.2 in November 1989 from 104.4 one month earlier and 103.3 one year earlier. Less favorable evaluations of buying conditions for large household durables led to this small decline.

Economic Slowdown Reported; But No Recession Expected

Consumers have become increasingly aware of the fourth quarter slowdown in economic growth, with fewer families reporting that overall conditions in the national economy improved during the past year. Among all families in the November 1989 survey, 42 percent reported improved conditions in the domestic economy, down from 47 percent one month earlier and 54 percent one year earlier. When asked to identify what recent changes in the economy they had heard or read about, the proportion of families that mentioned increases in unemployment due to layoffs and plant closings rose (to 17 percent, up from 13 percent one year earlier), and the proportion that mentioned hearing reports of weakening consumer spending also rose (to 5 percent, up from 2 percent a year earlier).

Rather than the expectation that the slowdown in economic growth would accelerate and result in a recession, the majority of families (61 percent) expected that the current slow pace of economic growth would persist largely unchanged through the year ahead. Few families expected the economy to either improve (18 percent) or worsen (18 percent) during the year ahead. Overall, these figures were nearly identical to the year earlier readings.

Given the expectation of slow economic growth without a recession, half of all consumers judged this to mean the continuation of good times in the national economy. Good times financially in the

economy as a whole during the year ahead were expected by 50 percent of all families in the November 1989 survey, down slightly from the 53 percent recorded both one month and one year earlier. When asked about the outlook over the longer term, the proportion of families that expected good times financially rose slightly, to 38 percent in the November 1989 survey from 36 percent one month earlier, but remained below the 40 percent recorded one year earlier.

Slow Growth Focuses Concerns on Employment Prospects

The major impact expected from the sluggish performance of the economy was focused on somewhat diminished employment prospects.

Importantly, since no recession is anticipated, the majority of families (54 percent) continued to expect the national unemployment rate to remain largely unchanged during the year ahead.

Nonetheless, it is clear that families judged the likelihood of increases in unemployment to be greater than declines. Among all families in the November 1989 survey, 35 percent expected the national unemployment rate to increase during the year ahead, up from 30 percent in October and 27 percent in November 1988. Many fewer families expected declines in the unemployment rate, just 10 percent in November 1989, down from 14 percent both one month and one year earlier.

Overall, these unemployment expectations indicate that the slowly expanding economy is expected to result in a slightly rising unemployment rate.

Inflation and Interest Rate Expectations Remain Unchanged

Consumers expected the annual rate of inflation to average 4.7% in the November 1989 survey, unchanged from the October figure and equal to the third quarter 1989 average. Current inflation expectations, however, are well below the 5.4%

rate expected in the November 1988 survey.

Interest rate expectations have remained largely unchanged during the past several months. Among all families in the November 1989 survey, 52 percent expected interest rate increases, down from 55 percent in October, but equal to the average recorded during the past six months.

Personal Finances Remain Positive

Among all families in the November 1989 survey, 42 percent reported that their financial situation had improved during the past year, identical to the figures recorded in both the October and September 1989 surveys, and just above the 41 percent recorded in November 1988. When asked to explain how their financial situation had changed during the past year, 32 percent reported income increases, unchanged from October and slightly below the 35 percent recorded in November 1988.

American families continued to view prospects for their own financial situation in positive terms. Among all families in the November 1989 survey, 41 percent expected their finances to improve during the year ahead, between the 42 percent recorded one month earlier and the 37 percent recorded one year earlier. Just 10 percent of all families expected their financial situation to worsen during the year ahead. Nearly half of all families (48 percent) expected their financial situation to remain the same during the year ahead, considering changes in both incomes and prices.

Household Durables: Waiting for Discounts

The proportion holding favorable attitudes toward buying conditions for furniture, appliances and home electronic goods fell to 67 percent in the November 1989 survey, down from 73 percent both one month and one year earlier. While this represents a rather small decline, the November

1989 reading was the lowest monthly figure recorded since late 1987--immediately following the October stock market plunge.

Changing perceptions of market prices was the primary reason for the recent decline in favorable buying attitudes toward large household durables. While references to the availability of price discounts still dominate responses (and continue to maintain overall buying attitudes at favorable levels), complaints about high prices have risen and represent the primary cause for the current weakness.

Among all families in the November 1989 survey, 14 percent registered complaints about high prices for durables when asked to explain their views. Although this figure is only modestly above the 11 percent recorded in October, it was the highest figure recorded since 1985.

Interestingly, despite the rise in complaints about prices, there has been no increase in the rationale that it would be better to buy-in-advance of further price increases. Indeed, the proportion that mentioned buy-in-advance rationales fell in the November 1989 survey to 17 percent from 19 percent both one month and one year earlier.

Unlike consumer reactions to inflation in the 1970s, at present consumers are more likely to postpone purchases in the face of price increases. Consumers have come to expect discounts, and when these expectations are not met, they are more willing to wait for renewed discounting. Moreover, given consumers' awareness of the weakness in the economy, they think that the wait will not be long.

Vehicle Buying Attitudes: Larger Discounts Are Expected

Favorable attitudes toward buying conditions for vehicles were held by 62 percent of all families in the November 1989 survey, unchanged from the October reading. Vehicle buying attitudes have remained remarkably stable for more than a year.

Indeed, in 14 of the past 18 monthly surveys, the proportion of families holding favorable vehicle buying attitudes has been either 61 or 62 percent.

Despite these very stable readings in overall buying attitudes, the reasons consumers have expressed for their opinions have undergone substantial change. A record level of awareness of the availability of price discounts has been diminished by increased complaints about rising sticker prices.

In the November 1989 survey, 41 percent of all families reported the availability of price discounts and rebates on new vehicle purchases, up from 36 percent one month earlier and 27 percent one year earlier. At 41 percent, more families mentioned the availability of price discounts in the November 1989 survey than at any other time during the past 30 years.

At the same time, consumer awareness of increases in vehicle sticker prices has also risen. In the November 1989 survey, 23 percent registered complaints about high vehicle prices; up from 18 percent one month earlier, it is the highest level recorded since 1984.

While the large discounts offered at the end of the last model year have depressed current sales rates, the early introduction of discounts on the 1990 models coupled with the news of slowing sales has led consumers to believe that even larger discounts will be forthcoming.

In short, consumers have not only come to expect that discounts will be available, but have also come to view the timing and size of announced discount programs as a signal for what to expect in the future.

Home Buying

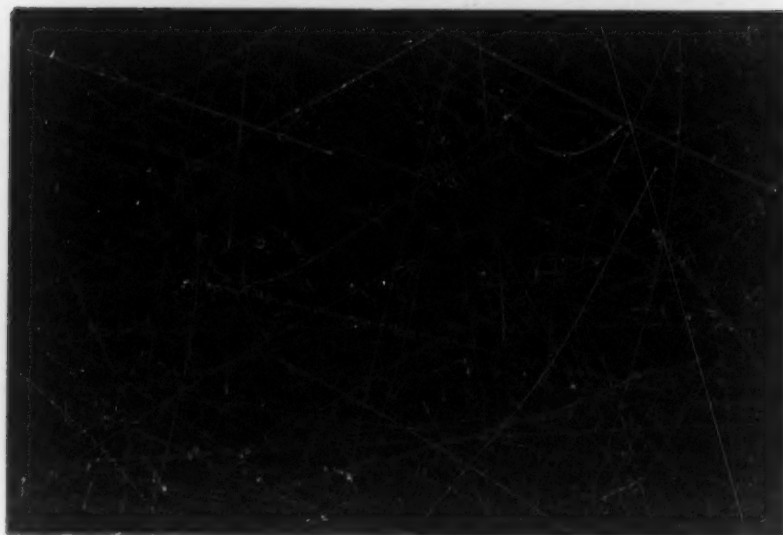
Favorable attitudes toward buying conditions for homes were held by 63 percent of all families in the November 1989 survey, down from 66 percent one month earlier and 67 percent one year earlier. The November decline was due to less favorable perceptions of home prices. Among all families in the November 1989 survey, 21 percent favorably mentioned current home prices, down from 26 percent in October.

Lower mortgage interest rates continue to be the mainstay of favorable home buying attitudes, but this source of strength has shown some erosion. Among all families in the November 1989 survey, 29 percent mentioned the availability of lower mortgage rates, although unchanged from the October reading, it was below the September high of 36 percent and the November 1988 reading of 33 percent. At the same time, complaints about high mortgage interest rates rose slightly to 15 percent in the November 1989 survey from 13 percent one month earlier and 12 percent one year earlier.

* * *

The November 1989 survey included 502 completed interviews conducted between November 1 and November 27, 1989.

SURVEYS OF CONSUMERS



Institute for Social Research

SURVEYS OF CONSUMERS

NOVEMBER 1989

The November 1989 survey was the 256th in a series of Surveys of Consumers conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results for the total sample will differ by no more than 5 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

While every effort is made to accurately measure consumer attitudes and expectations, factors other than sampling may also affect the accuracy of these (and other) findings. These factors may include effects of the question wording, the ability of respondents to articulate answers and opinions, refusal to participate in the survey, and incomplete coverage of the population. There are no standard measures of these effects, but their presence should be acknowledged when using these and all other survey data. While measurement effects are present in all surveys, a noted advantage of time-series data is that the non-sampling influences remain relatively constant across samples.

TABLE OF CONTENTS

TABLE	TITLE
1.	The Index of Consumer Sentiment
2.	Index of Consumer Sentiment within Region and Age Subgroups
3.	Components of the Index of Consumer Sentiment
4.	Current Financial Situation Compared to a Year Ago
5.	Selected Reasons for Opinions About Personal Financial Situation
6.	Expected Change in Financial Situation
7.	Trend in Personal Financial Situation
8.	Expected Family Income Change During the Next 12 Months
9.	Expected Change in Real Family Income
10.	News Heard of Recent Changes in Business Conditions
11.	Selected Items of News Heard of Recent Changes in Business Conditions
12.	Current Business Conditions Compared to a Year Ago
13.	Expected Change in Business Conditions in a Year
14.	Trend in Past and Expected Changes in Business Conditions
15.	Business Conditions Expected During the Next 12 Months
16.	Business Conditions Expected During the Next 5 Years
17.	Expected Change in Unemployment
18.	Expected Change in Interest Rates
19.	Expected Change in Prices During the Next 12 Months
20.	Opinions About the Government's Economic Policy
21.	Buying Conditions for Large Household Goods
22.	Selected Reasons About Buying Conditions for Large Household Goods
23.	Buying Conditions for Houses
24.	Selected Reasons for Opinions About Buying Conditions for Houses
25.	Buying Conditions for Cars
26.	Selected Reasons for Opinions About Buying Conditions for Cars

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT



CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

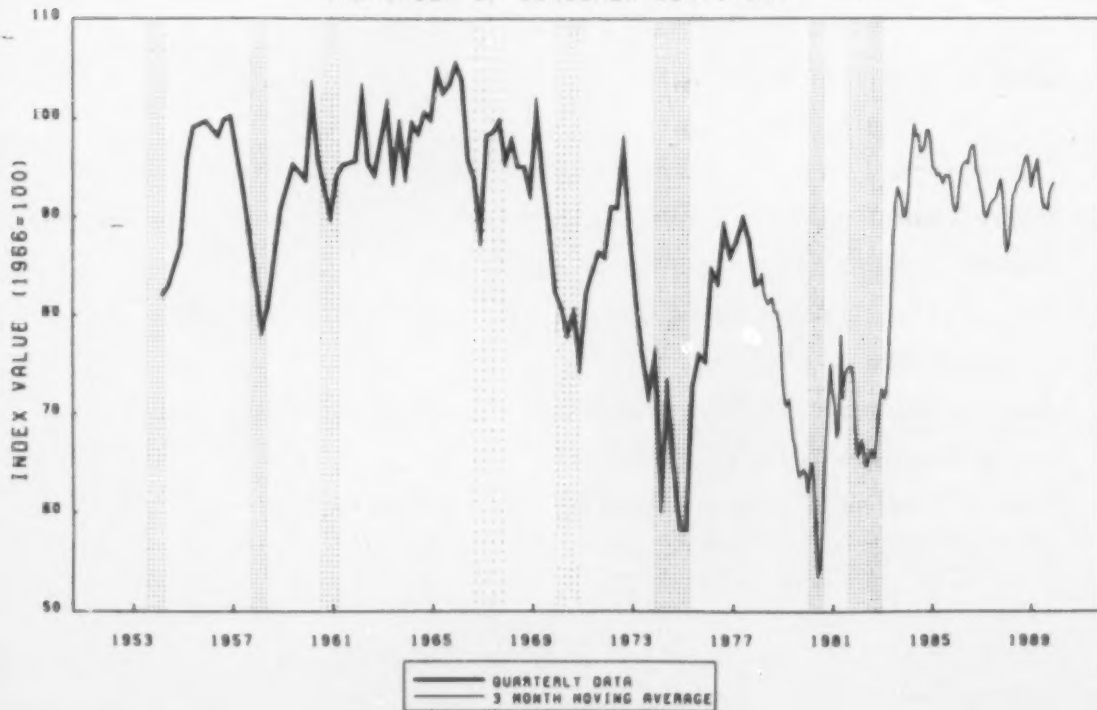


TABLE 1
THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	All families	Families with incomes over \$30,000	Families with incomes over \$40,000
November 1986	91.4	97.5	98.7
December 1986	89.1	98.7	98.3
January 1987	90.4	101.2	104.0
February 1987	90.2	103.6	103.6
March 1987	90.8	97.8	96.1
April 1987	92.8	98.5	103.1
May 1987	91.1	97.7	99.2
June 1987	91.5	102.9	102.9
July 1987	93.7	102.5	104.0
August 1987	94.4	104.4	109.1
September 1987	93.6	100.6	104.3
October 1987	89.3	99.9	101.8
November 1987	83.1	87.7	90.5
December 1987	86.8	94.5	96.1
January 1988	90.8	99.0	99.9
February 1988	91.6	98.1	100.8
March 1988	94.6	103.7	104.6
April 1988	91.2	99.1	99.6
May 1988	94.8	106.6	108.3
June 1988	94.7	102.3	102.7
July 1988	93.4	100.5	103.9
August 1988	97.4	105.1	104.2
September 1988	97.3	102.8	105.4
October 1988	94.1	103.0	103.7
November 1988	93.0	102.0	101.0
December 1988	91.9	97.0	99.5
January 1989	97.9	108.4	106.8
February 1989	95.4	104.6	109.6
March 1989	94.3	98.6	100.0
April 1989	91.5	99.1	99.8
May 1989	90.7	100.6	100.3
June 1989	90.6	95.2	95.4
July 1989	92.0	103.2	101.9
August 1989	89.6	93.5	93.1
September 1989	95.8	104.1	103.0
October 1989	93.9	100.2	103.6
November 1989	90.9	99.4	100.5

CHART 2A - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

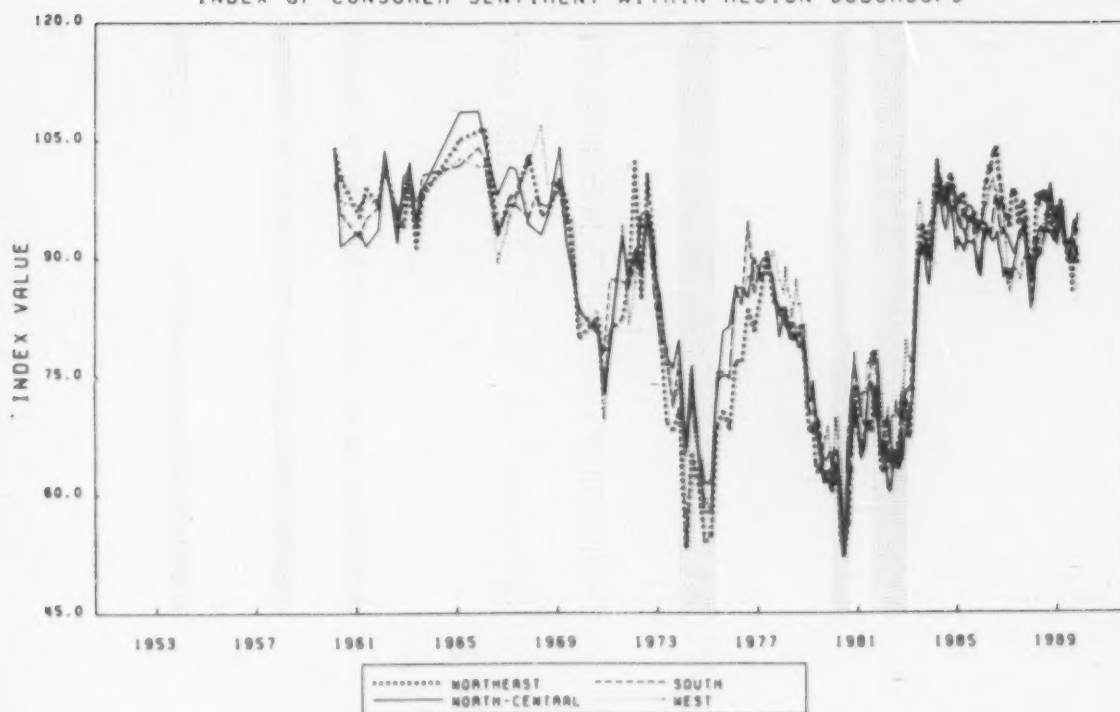


CHART 2B - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

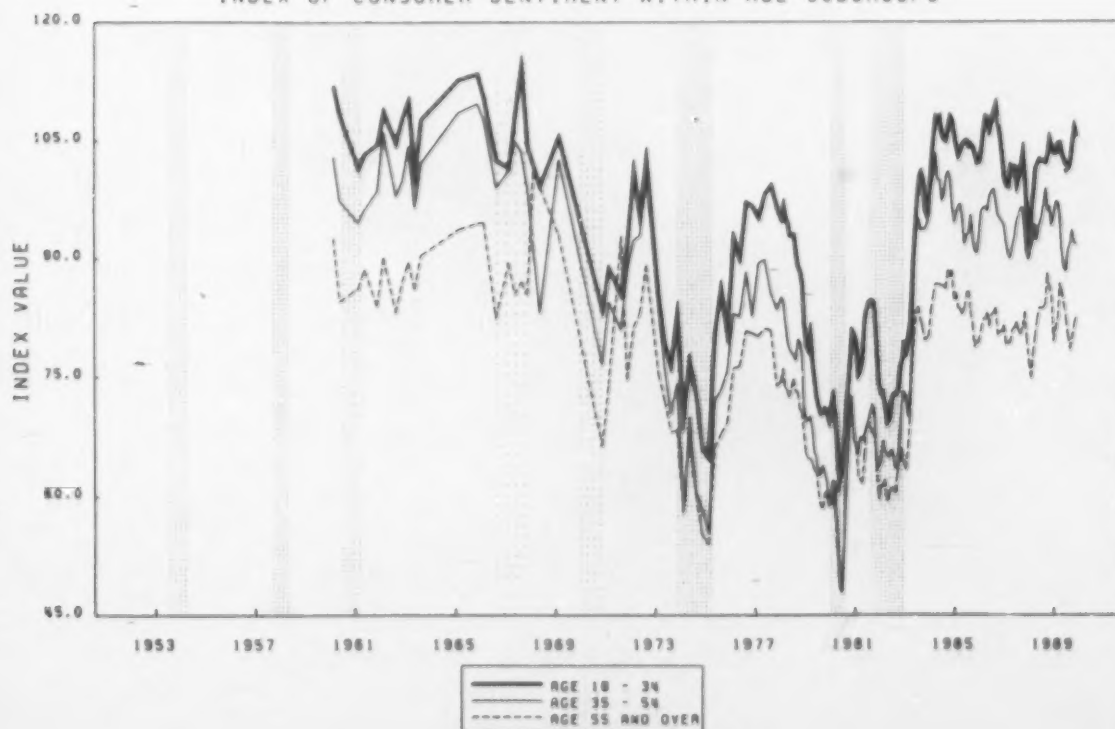


TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY	CENSUS REGION				AGE OF RESPONDENT		
	North East	North Central	South	West	18-34	35-54	55+
November 1986	95.8	85.6	93.2	92.3	99.5	94.2	80.4
December 1986	91.8	90.4	89.5	84.0	98.0	91.3	78.3
January 1987	98.1	85.9	96.0	83.9	99.9	91.2	78.4
February 1987	92.4	89.5	90.7	89.2	99.1	89.2	81.5
March 1987	104.6	86.3	87.5	91.2	106.4	89.3	77.7
April 1987	99.4	91.7	93.7	87.2	99.0	95.1	83.5
May 1987	91.3	92.9	92.1	87.1	99.5	92.8	82.1
June 1987	92.5	92.2	91.5	89.7	99.0	95.5	80.0
July 1987	100.1	95.7	93.8	85.2	103.0	97.8	80.2
August 1987	99.0	91.0	95.2	93.2	103.3	95.8	80.8
September 1987	92.2	94.7	94.9	91.5	104.1	95.4	82.6
October 1987	93.8	87.2	88.3	89.1	92.0	89.9	86.2
November 1987	83.9	79.6	87.9	79.4	91.7	86.6	70.8
December 1987	83.4	83.6	90.4	89.2	94.1	92.9	73.6
January 1988	99.8	91.3	87.6	88.5	98.3	93.6	80.1
February 1988	93.7	92.1	92.8	86.3	102.5	90.3	79.9
March 1988	101.2	92.9	91.6	95.3	103.5	98.9	80.0
April 1988	94.9	93.9	88.6	89.0	100.0	87.5	86.6
May 1988	99.1	95.5	91.1	97.3	104.2	95.4	84.7
June 1988	98.1	91.2	95.9	95.2	103.1	102.0	79.5
July 1988	98.3	92.0	91.8	94.0	99.6	93.0	86.6
August 1988	95.7	100.9	94.4	98.5	103.6	101.7	86.3
September 1988	95.2	101.9	93.3	97.6	106.1	93.3	91.4
October 1988	91.8	96.1	92.9	96.6	105.8	94.6	82.0
November 1988	95.8	90.6	90.5	98.9	100.4	94.3	82.2
December 1988	90.8	90.2	96.1	88.0	103.7	97.1	73.9
January 1989	96.9	94.2	99.9	102.2	105.8	100.3	86.7
February 1989	103.5	99.2	88.8	93.6	104.3	94.2	86.7
March 1989	91.5	95.8	96.1	92.2	103.9	91.8	87.0
April 1989	83.9	94.6	93.4	90.3	101.0	87.5	83.8
May 1989	99.9	86.7	87.3	94.3	102.2	86.9	81.9
June 1989	84.7	91.2	94.4	89.8	100.0	90.4	81.1
July 1989	87.2	91.9	95.6	91.8	101.9	95.8	78.0
August 1989	85.2	93.6	85.0	95.7	105.7	88.9	76.1
September 1989	97.1	98.8	94.0	92.7	107.1	96.2	84.9
October 1989	92.1	89.6	99.5	92.6	107.3	90.5	83.9
November 1989	77.5	98.7	87.2	99.4	102.2	88.6	79.3

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

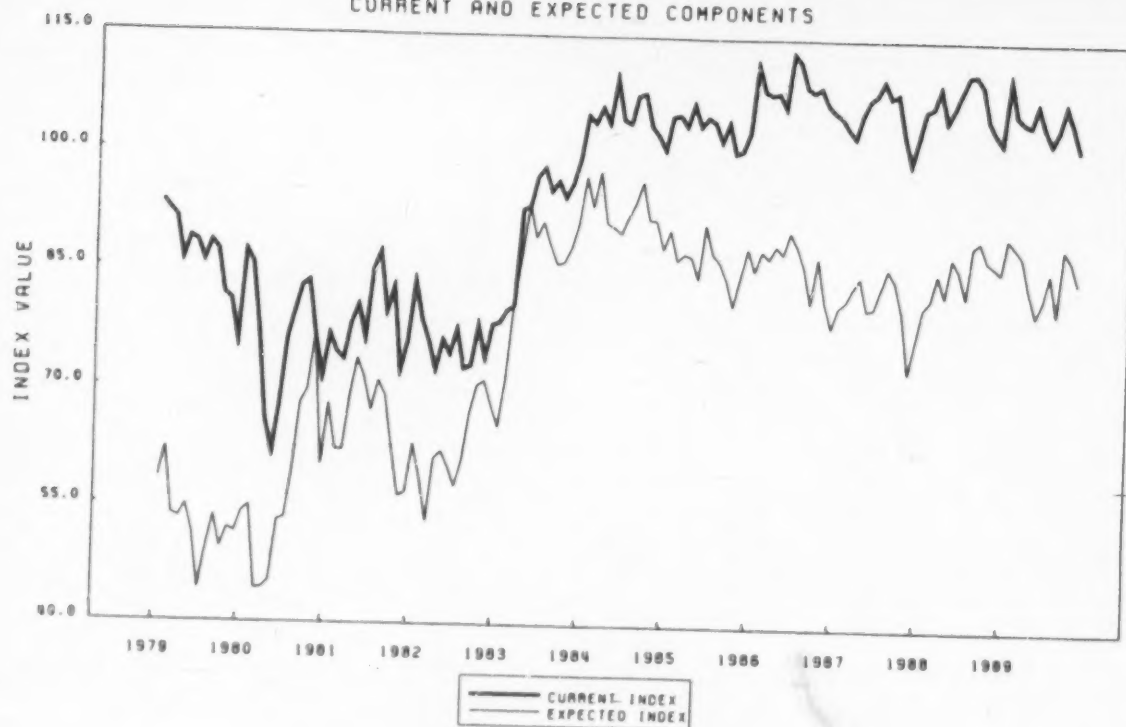


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

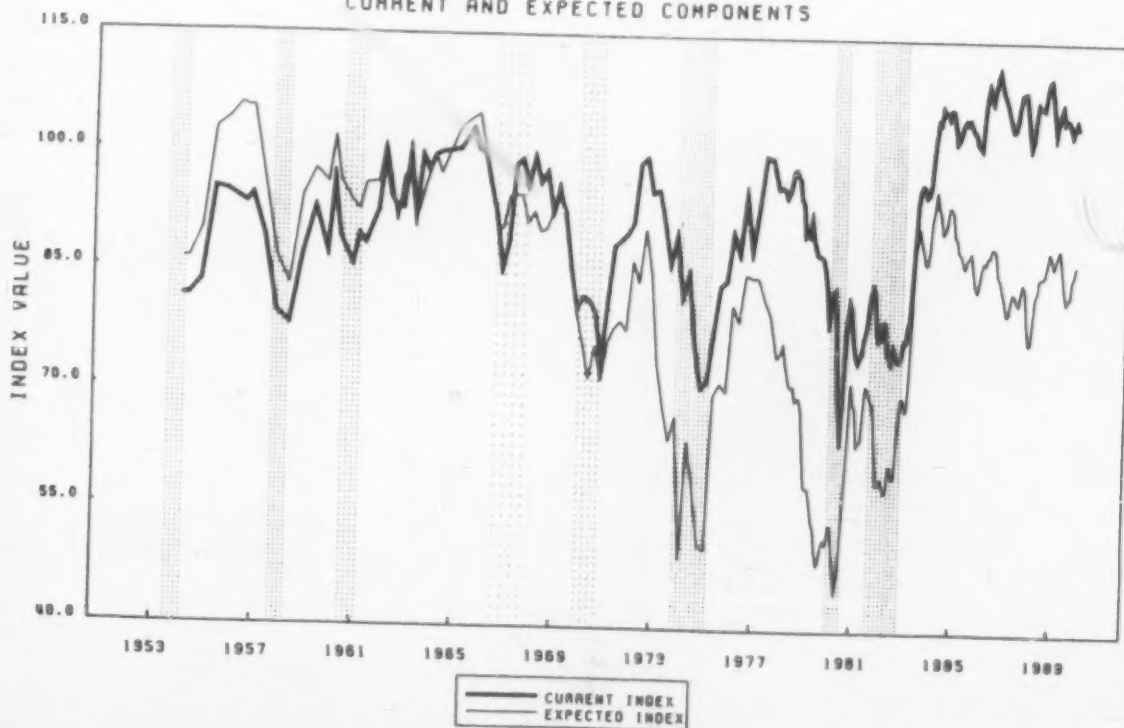


TABLE 3
COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

		INDEX COMPONENTS +						
		Personal finances		Business conditions		Buying conds.	Current Index	Expected Index
		Current	Expected	12 months	5 years			
DATE OF SURVEY		(1)	(2)	(3)	(4)	(5)	(1,5)	(2,3,4)
November 1986		121	121	120	87	155	106.7	81.6
December 1986		116	127	104	83	158	105.8	78.3
January 1987		120	130	117	77	152	105.1	80.9
February 1987		115	126	117	84	153	103.7	81.6
March 1987		114	122	121	92	152	102.5	83.3
April 1987		116	127	116	97	158	105.5	84.7
May 1987		117	121	114	89	161	107.4	80.6
June 1987		120	122	113	89	161	108.1	80.8
July 1987		123	123	118	94	162	109.9	83.3
August 1987		122	127	125	93	157	107.8	85.8
September 1987		119	124	122	92	162	108.3	84.2
October 1987		118	128	105	90	149	103.1	80.4
November 1987		115	118	93	80	142	99.3	72.7
December 1987		119	120	98	89	147	102.7	76.7
January 1988		122	131	110	84	154	106.2	80.9
February 1988		122	130	108	90	155	106.6	81.9
March 1988		127	133	114	96	156	109.1	85.2
April 1988		117	125	117	89	154	104.8	82.4
May 1988		111	127	125	98	165	106.5	87.3
June 1988		119	129	121	95	163	108.6	85.7
July 1988		120	128	106	96	167	110.7	82.3
August 1988		127	127	125	105	160	110.8	88.8
September 1988		127	133	125	102	157	109.4	89.5
October 1988		114	124	129	97	158	105.0	87.0
November 1988		112	128	122	97	156	103.3	86.3
December 1988		114	127	119	98	150	102.0	85.5
January 1989		121	131	128	103	165	110.3	89.9
February 1989		120	130	128	99	154	105.7	88.8
March 1989		116	131	123	98	156	104.8	87.6
April 1989		113	130	113	91	158	104.4	83.2
May 1989		121	125	107	89	157	107.1	80.1
June 1989		115	123	115	90	155	104.1	82.0
July 1989		112	123	124	96	152	102.1	85.5
August 1989		114	126	109	88	156	103.9	80.3
September 1989		117	129	127	101	161	107.1	88.6
October 1989		114	134	124	93	156	104.4	87.2
November 1989		116	130	116	92	146	101.2	84.3

(1) See Table 4.

(2) See Table 6.

(3) See Table 15.

(4) See Table 16.

(5) See Table 21.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES"

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

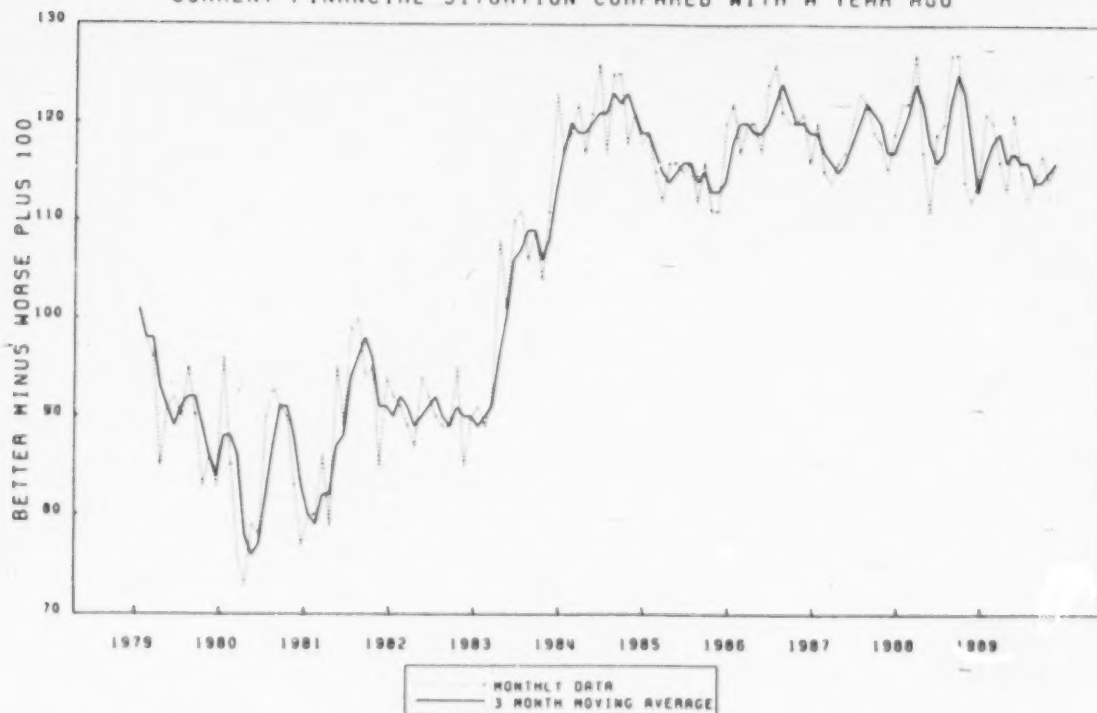


CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

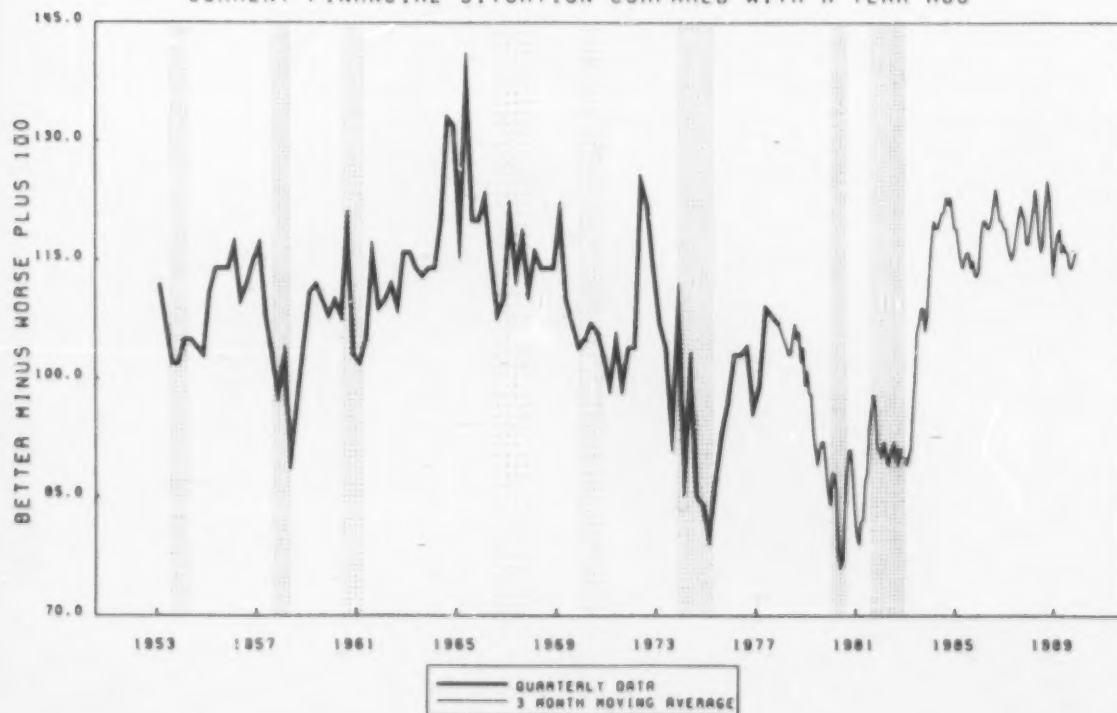


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989
BETTER OFF	41%	39%	44%	44%	42%	42%	45%	38%	41%	41%	42%	42%	42%
SAME	30	36	33	31	32	29	31	38	30	32	32	30	32
WORSE OFF	29	25	23	24	26	29	24	23	29	27	25	28	26
DK,NA	*	"	*	1	*	*	*	1	*	*	1	*	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	508	500	501	500	502	500	503	507	501	502	506	500	502

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION



CHART 5B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

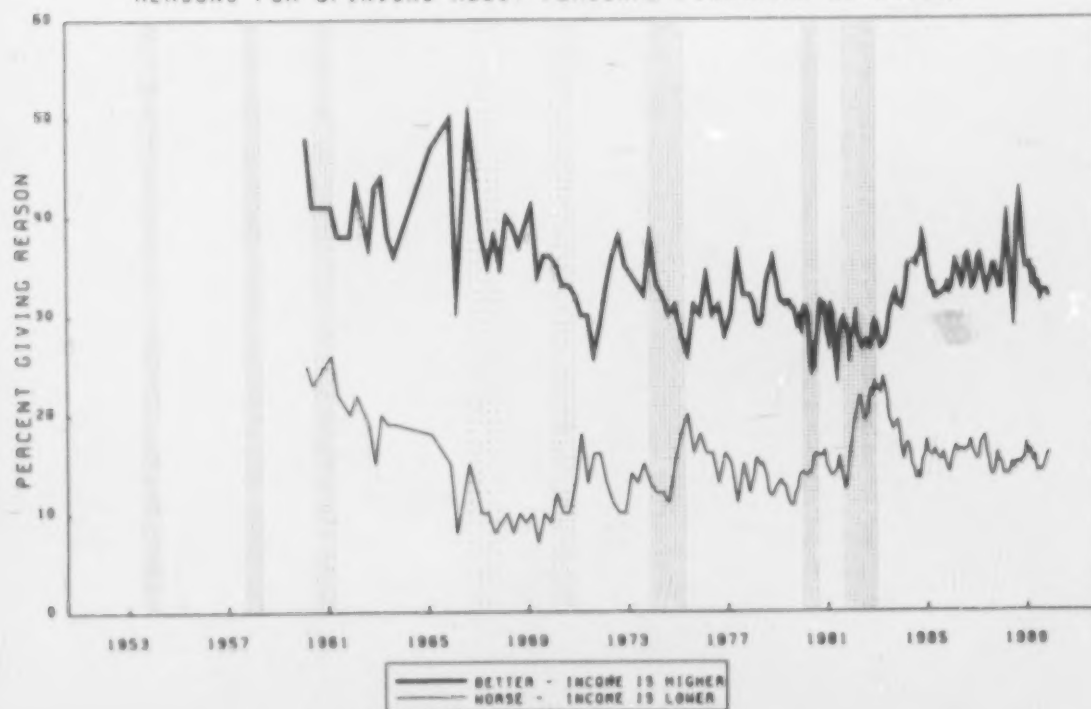


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION †

	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989
BETTER OFF THAN YEAR AGO:													
Income is higher	35%	35%	34%	36%	30%	36%	32%	31%	32%	34%	31%	32%	32%
WORSE OFF THAN YEAR AGO:													
Income is lower	16	17	14	18	13	16	13	14	15	14	16	17	15
Higher prices	11	14	15	12	15	16	12	14	16	16	13	11	13

Responses to the query: "Why do you say so?" following the question on Table 4.

† : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

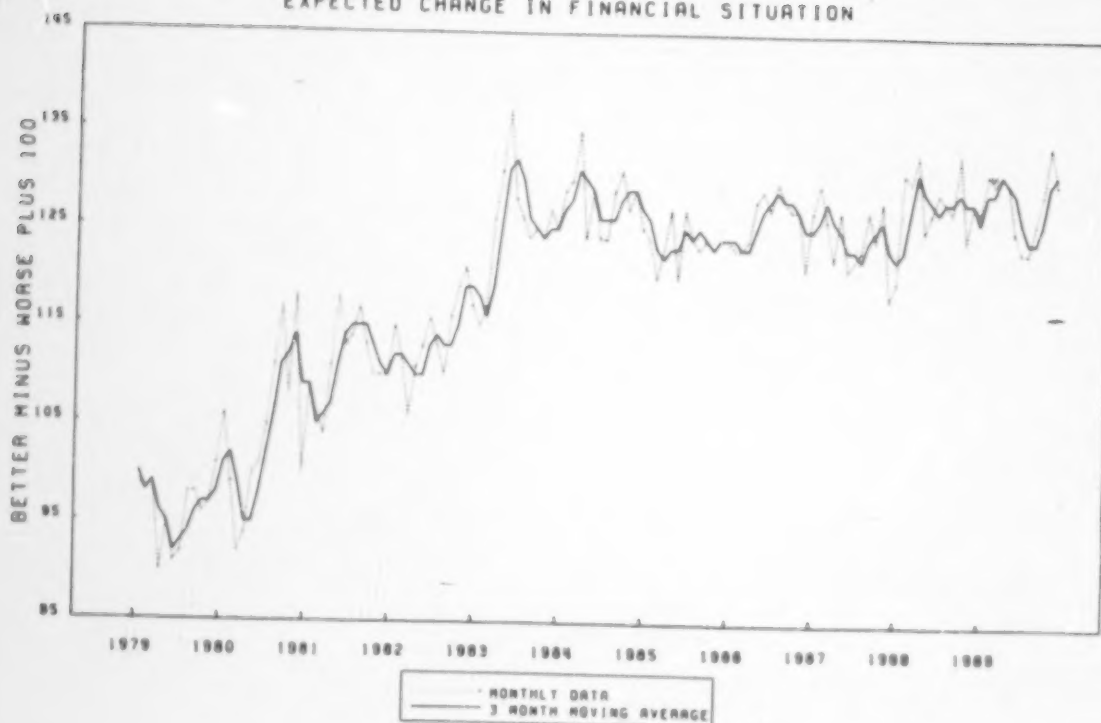


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

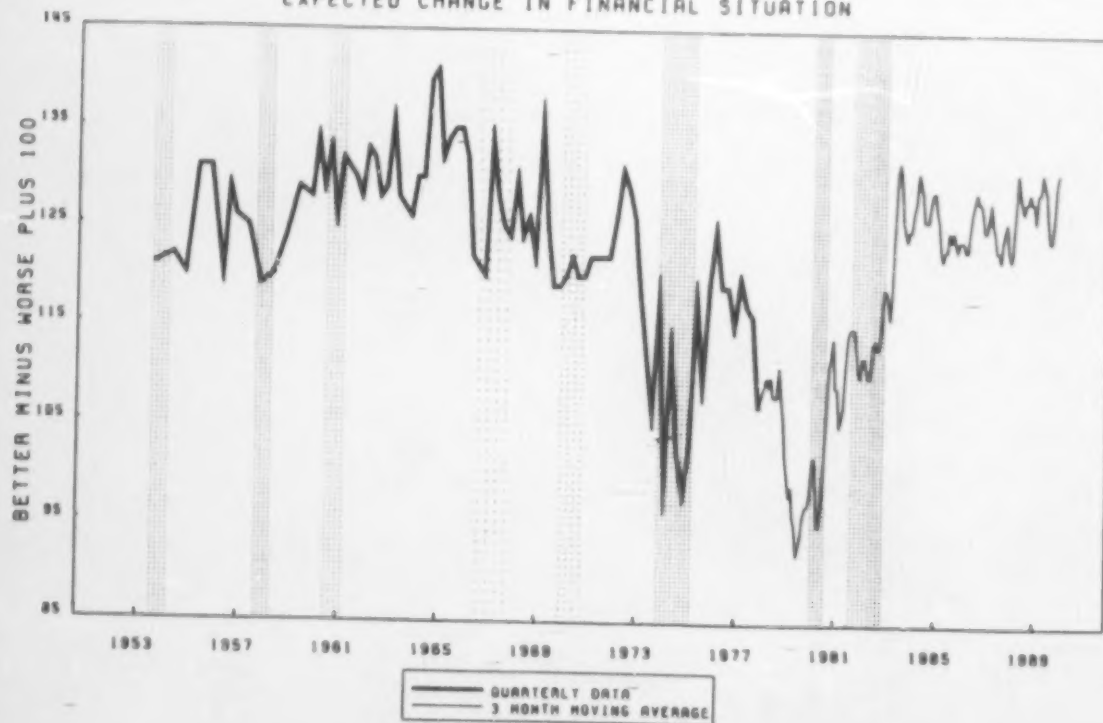


TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989
BETTER OFF	37%	39%	41%	40%	40%	41%	39%	34%	35%	37%	38%	41%	40%
SAME	49	46	47	46	49	46	45	52	50	49	49	47	48
WORSE OFF	9	12	10	10	9	11	14	11	12	11	9	7	10
DK,NA	5	3	2	4	2	2	2	3	3	3	4	5	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	508	500	501	500	502	500	503	507	501	502	506	500	502

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

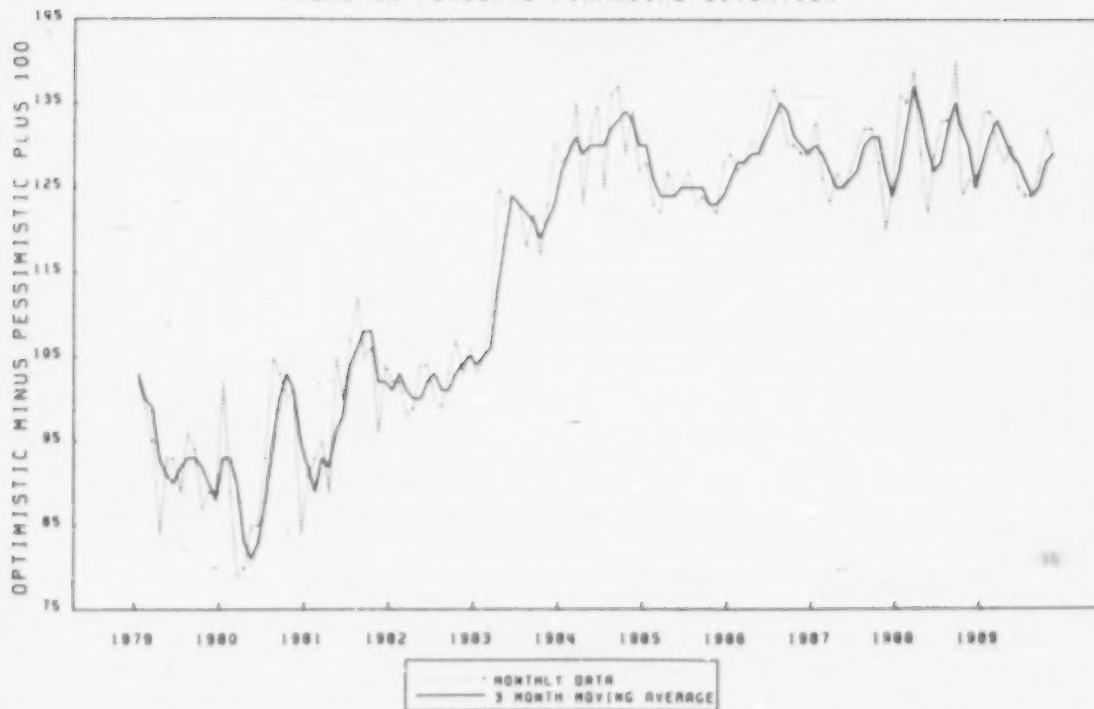


CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

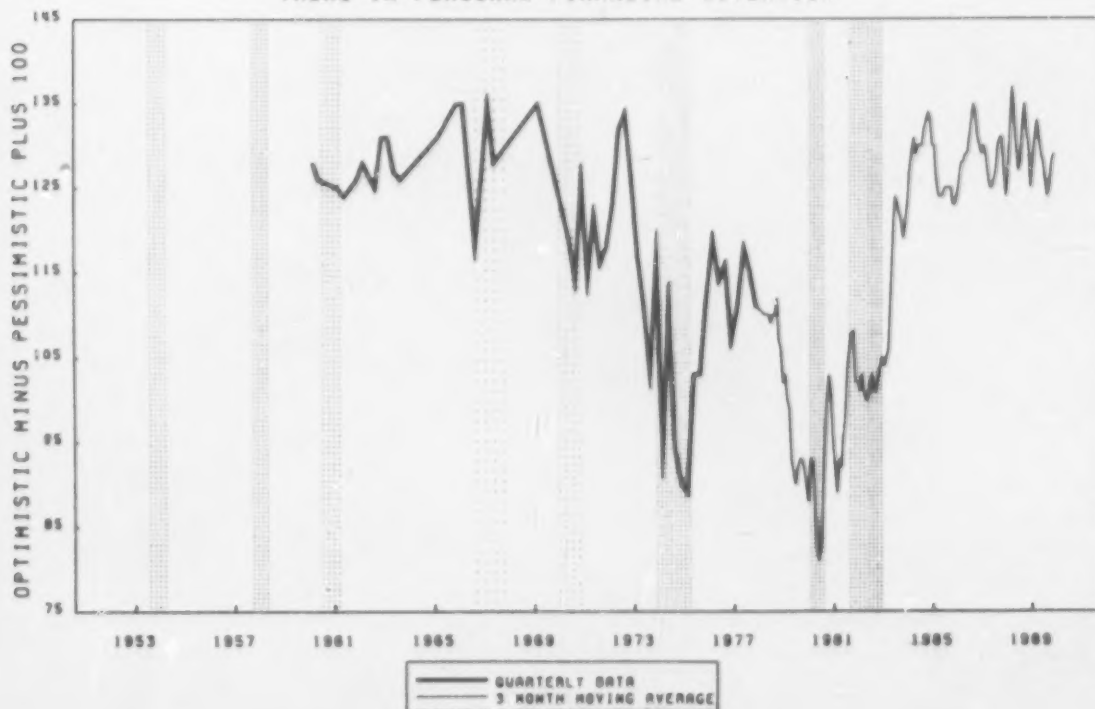


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	21%	22%	23%	22%	20%	21%	21%	16%	19%	20%	24%	22%	21%
Intermittant increase (b)	25	23	29	29	29	27	31	28	28	25	24	27	26
Remain unchanged (c)	18	20	18	17	18	17	14	22	18	20	19	17	20
Intermittant decline (d)	16	16	13	12	15	13	18	15	15	16	17	12	14
Continuous decline (e)	4	4	5	5	4	7	4	4	8	5	4	5	4
Mixed change (f)	11	11	10	11	12	13	9	11	9	10	8	11	13
DK,NA	5	4	2	4	2	2	3	4	3	4	4	6	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	508	500	501	500	502	500	503	507	501	502	506	500	502

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now

(b) Better/Same or Same/Better

(c) Same/Same

(d) Worse/Same or Same/Worse

(e) Worse/Worse

(f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
 MEDIAN EXPECTED CHANGE IN FAMILY INCOME

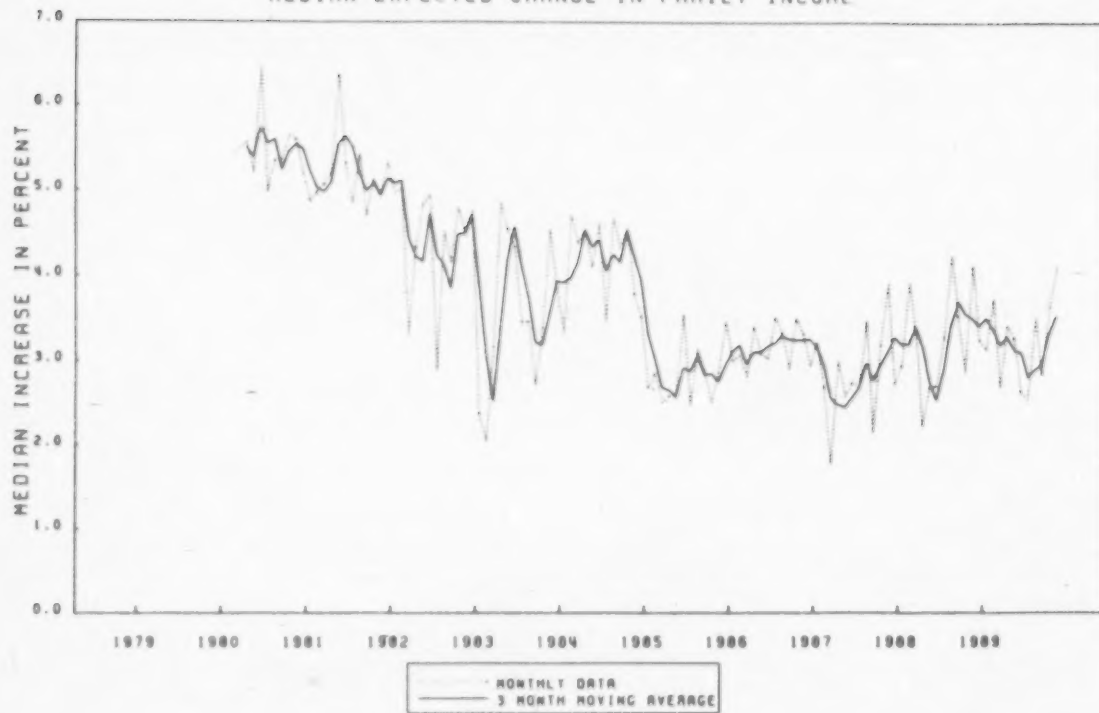


CHART 8 - HISTORICAL SERIES
 MEDIAN EXPECTED CHANGE IN FAMILY INCOME

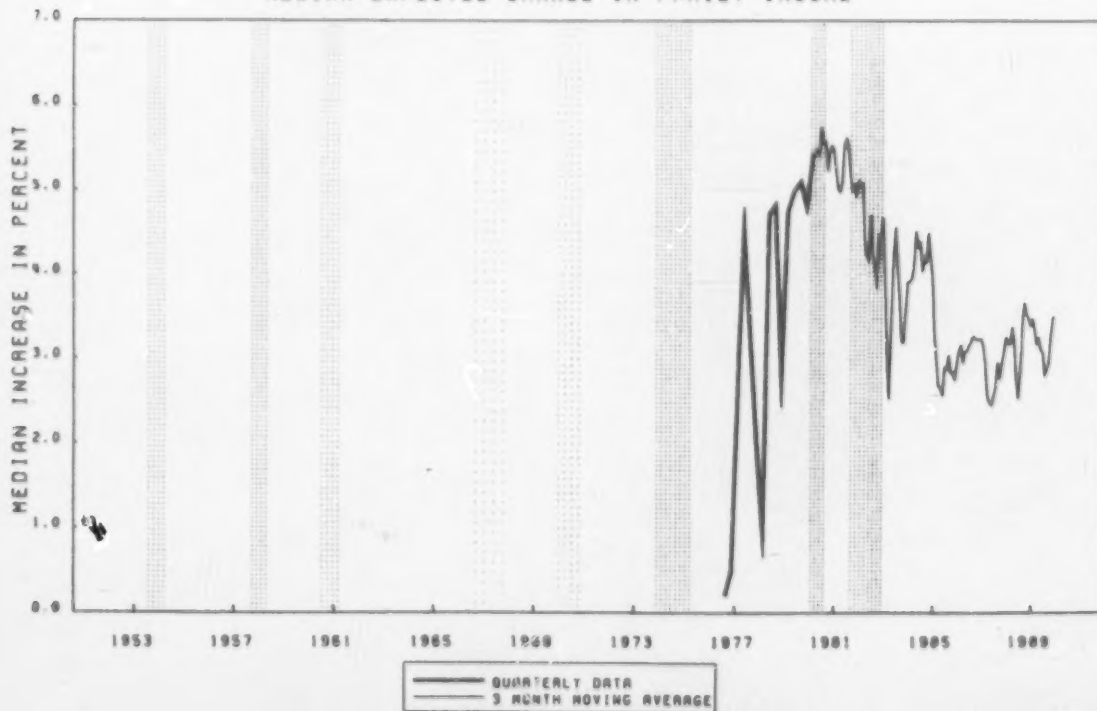


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989
EXPECT INCREASE:													
1-4%	18%	21%	15%	17%	16%	17%	16%	18%	15%	15%	16%	15%	23%
5%	11	11	9	15	10	12	9	11	9	13	10	12	13
6-9%	9	7	10	7	7	7	7	6	6	8	7	7	7
10-24%	15	15	14	15	14	15	17	14	16	17	15	14	16
25% or more	7	6	8	7	7	7	8	6	6	6	5	9	7
DK how much up	7	4	4	5	5	5	4	5	6	3	5	4	6
EXPECT SAME	20	22	27	22	27	23	26	27	31	26	25	25	19
EXPECT DOWN	11	13	13	11	14	12	12	12	10	12	15	12	9
DK,NA	2	1	*	1	*	2	1	1	1	*	2	2	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	508	500	501	500	502	500	503	507	501	502	506	500	502

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

* : Less than half of one percent.

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR



CHART 9 - HISTORICAL SERIES
INCOME OR PRICES UP MORE NEXT YEAR

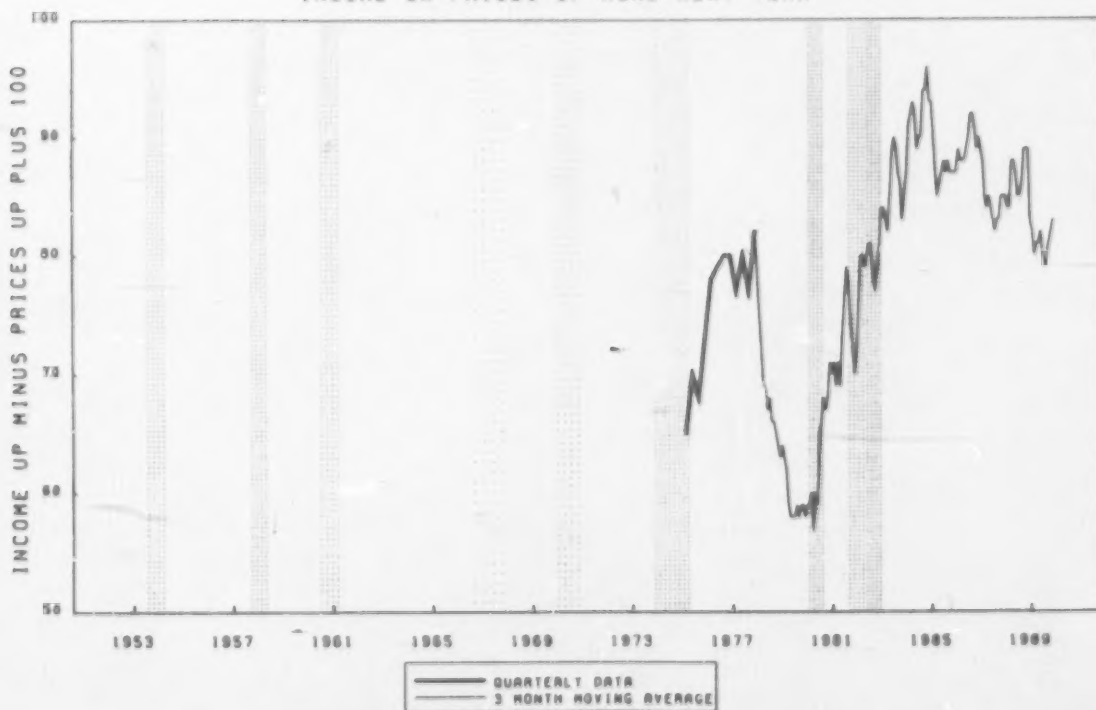


TABLE 9

EXPECTED CHANGE IN REAL FAMILY INCOME

	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989
INCOME UP MORE	21%	17%	19%	18%	17%	18%	22%	16%	19%	21%	19%	20%	22%
INCOME UP SAME	43	41	41	43	44	43	37	39	40	39	39	41	42
PRICES UP MORE	33	40	37	36	37	37	38	42	39	36	40	37	35
DK,NA	3	2	3	3	2	2	3	3	2	4	2	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	508	500	501	500	502	500	503	507	501	502	506	500	502

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 10 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS



CHART 10 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

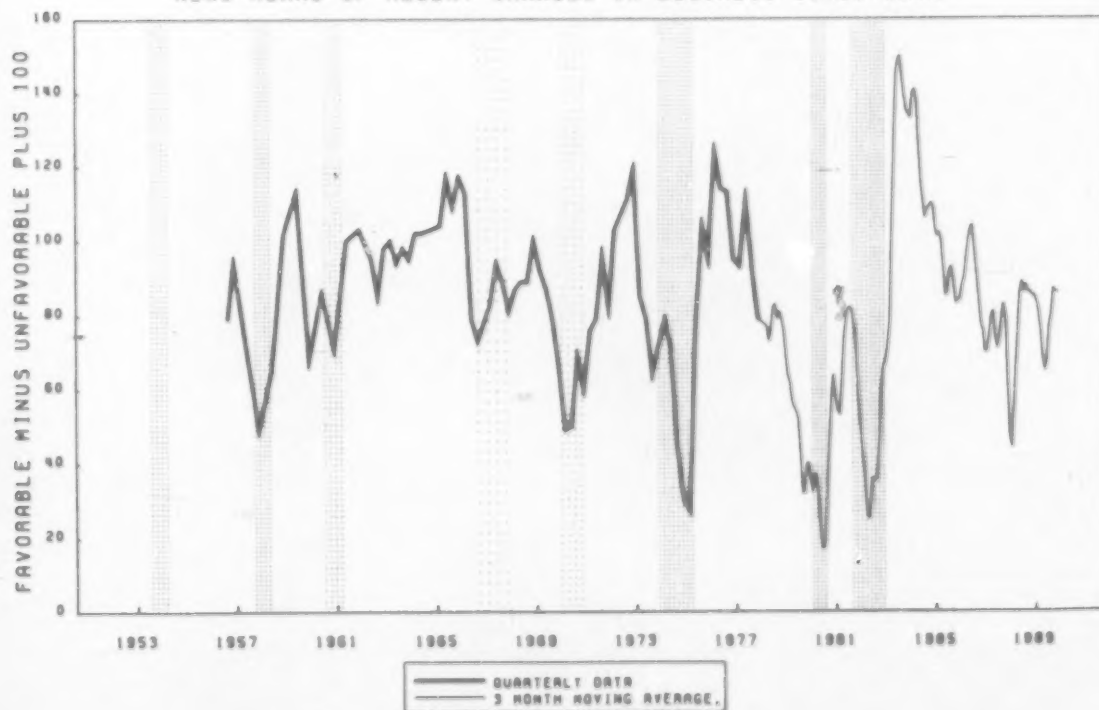


TABLE 10

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989
FAVORABLE NEWS	25%	30%	24%	27%	22%	18%	22%	23%	28%	23%	29%	24%	22%
UNFAVORABLE NEWS	39	48	43	50	56	58	54	47	41	45	32	41	45
NO MENTIONS	54	50	55	48	49	48	48	53	50	53	56	52	52

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 11A - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

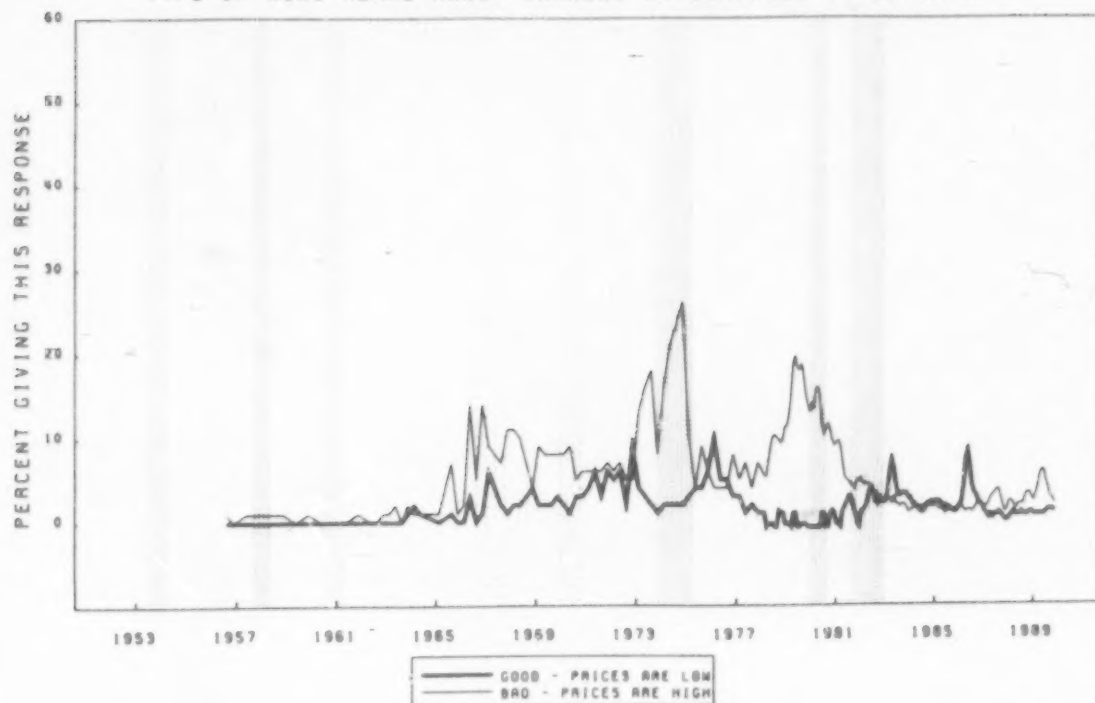


CHART 11B - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

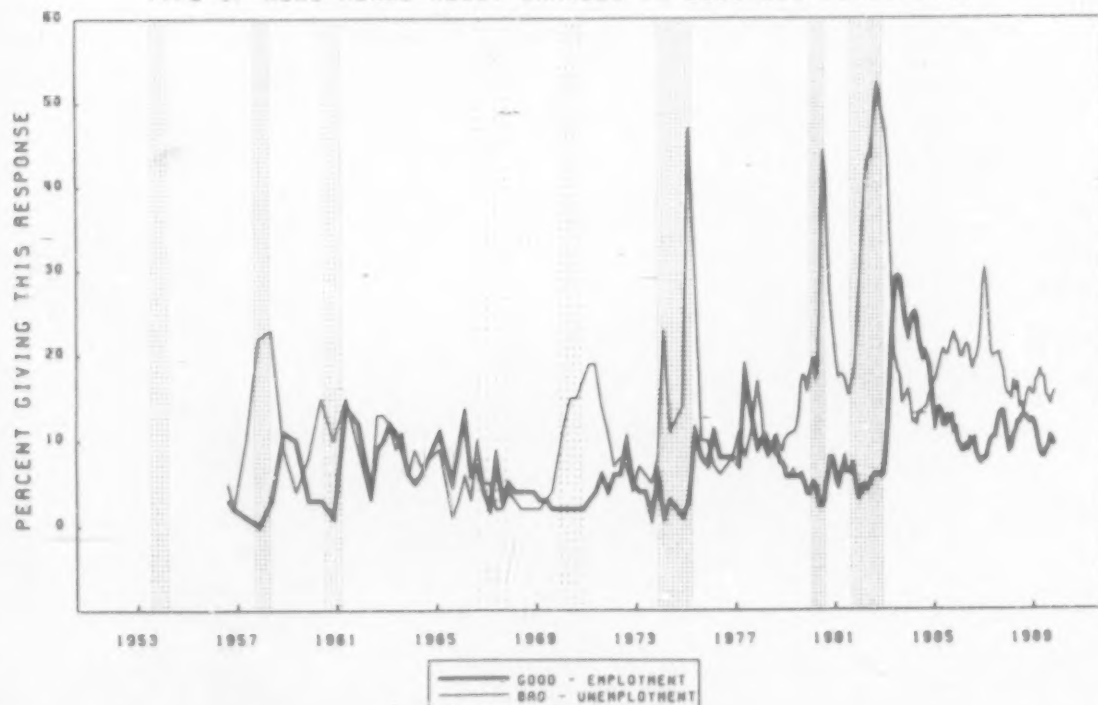


TABLE 11

SELECTED ITEMS OF
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989
FAVORABLE NEWS:													
Government; elections	2%	4%	2%	5%	3%	1%	1%	1%	*	2%	2%	1%	1%
Employment	13	12	11	10	8	8	8	8	10	9	12	9	7
Higher consumer demand	2	2	2	1	1	3	2	1	2	1	1	1	2
Lower prices	1	1	*	1	1	*	1	1	1	2	1	1	1
Easier credit	1	1	1	1	1	*	1	4	6	5	4	3	3
Stock market	1	1	2	1	1	1	2	2	2	1	3	2	2
Trade deficit	1	1	1	1	1	1	1	*	1	1	1	1	1
UNFAVORABLE NEWS:													
Government; elections	6	7	7	7	5	4	4	4	5	3	4	2	3
Unemployment	13	16	17	18	17	20	15	17	13	15	14	16	17
Lower consumer demand	2	2	2	4	3	2	4	3	3	3	2	2	5
Higher prices	2	3	2	4	6	6	6	6	2	4	2	2	2
Tighter credit	2	6	4	5	10	12	10	5	3	2	1	1	1
Stock market	3	4	1	1	2	2	2	1	1	1	1	7	6
Trade deficit	4	2	2	3	3	3	2	3	5	3	2	2	2

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 12 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

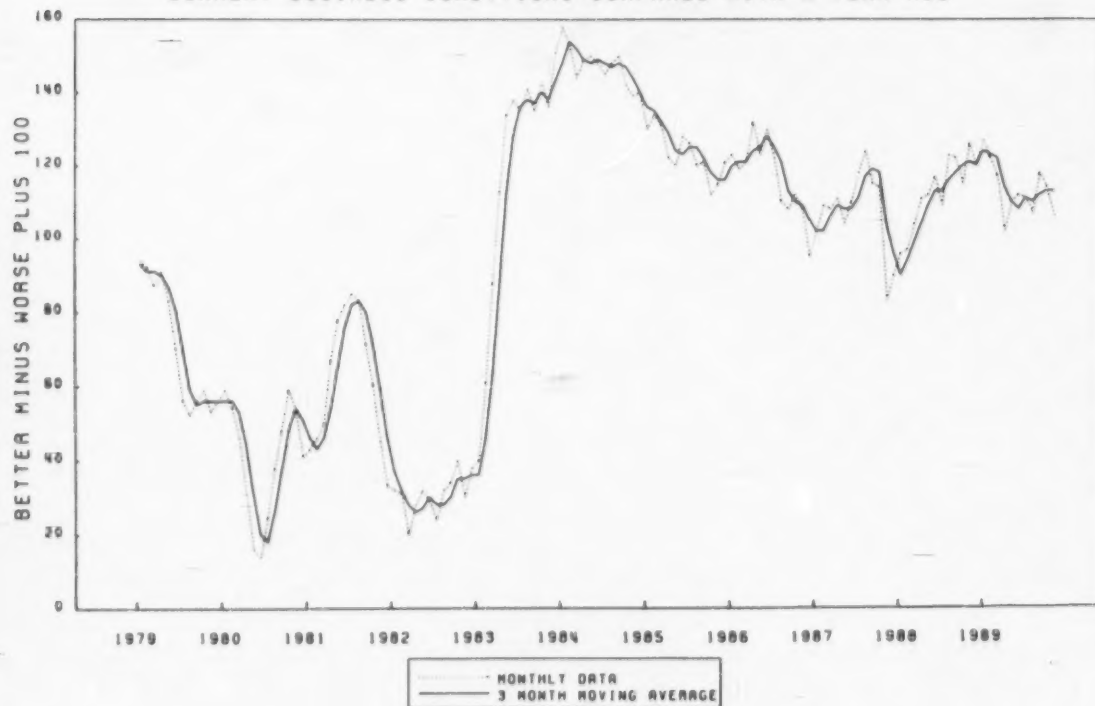


CHART 12 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

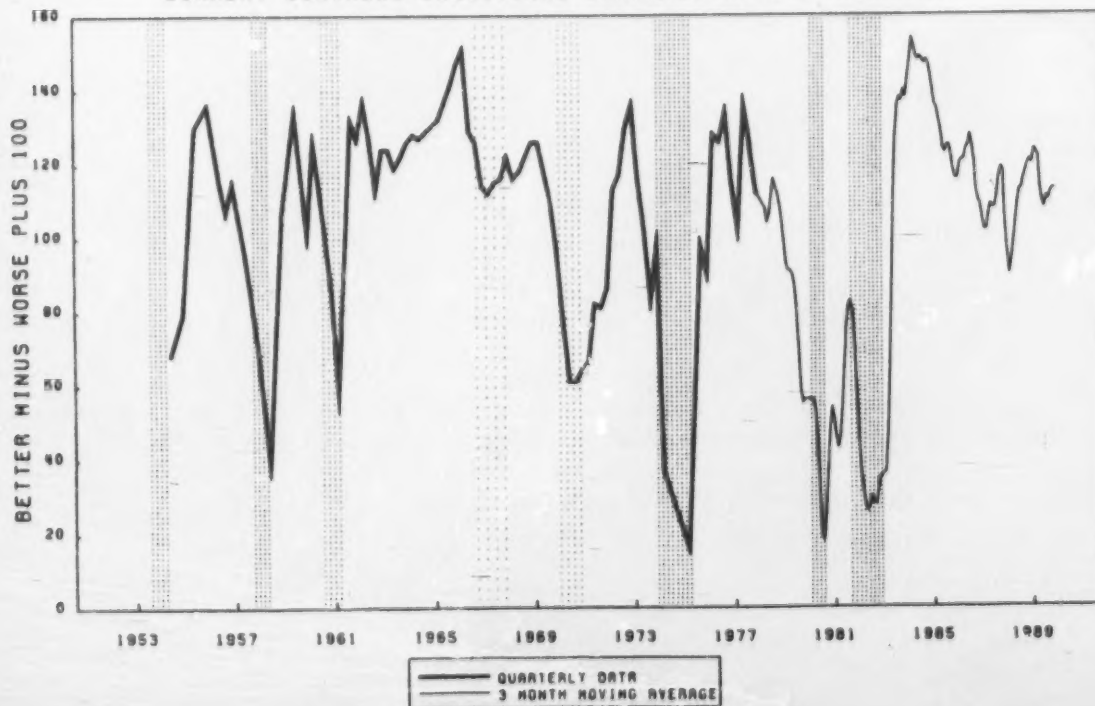


TABLE 12

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989
BETTER NOW	54%	49%	53%	48%	47%	41%	44%	45%	43%	42%	48%	47%	42%
SAME	17	20	19	22	22	18	19	18	22	21	19	19	19
WORSE NOW	28	29	26	26	30	39	34	33	32	35	30	33	36
DK, NA	1	2	2	4	1	2	3	4	3	2	3	1	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	508	500	501	500	502	500	503	507	501	502	506	500	502

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 13 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

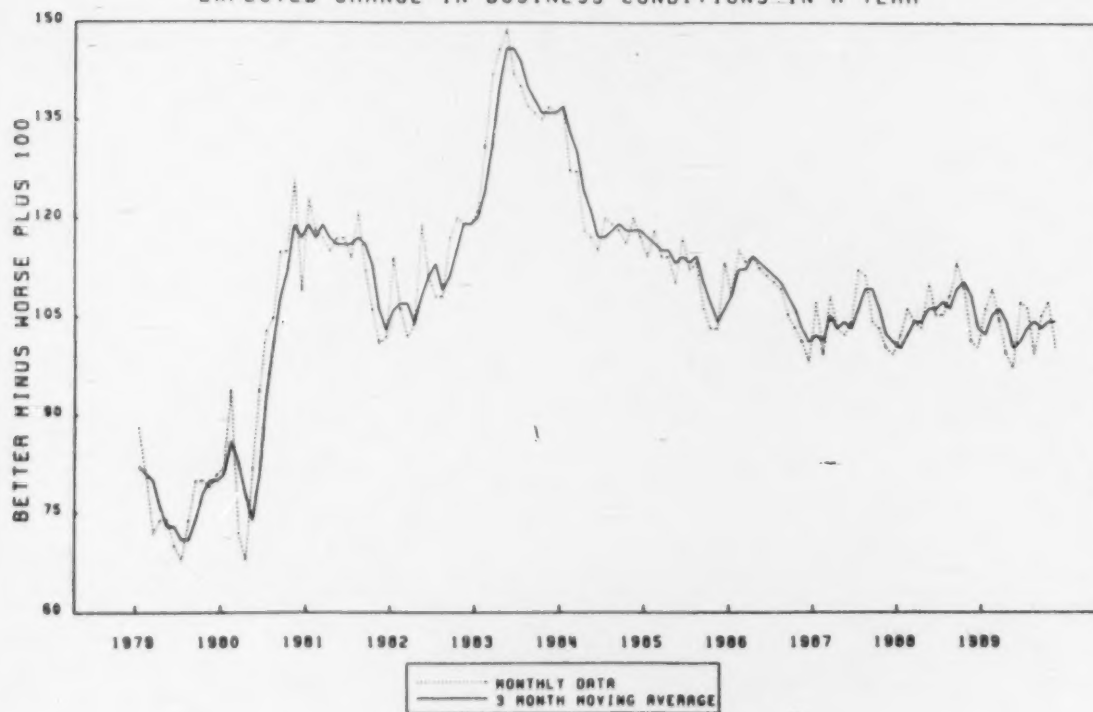


CHART 13 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

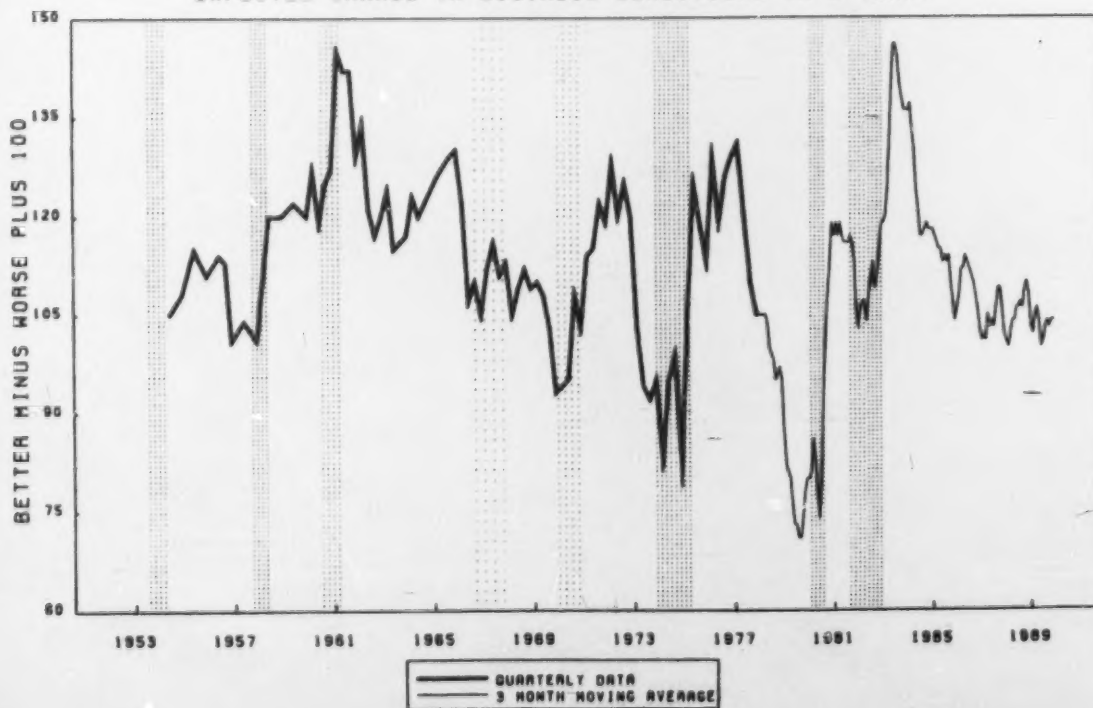


TABLE 13

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989
BETTER	19%	19%	23%	26%	22%	20%	19%	24%	20%	18%	21%	22%	18%
SAME	60	59	56	54	59	57	56	57	63	60	59	61	61
WORSE	18	19	17	17	18	21	22	17	14	19	16	15	18
DK,NA	3	3	4	3	1	2	3	2	3	3	4	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	508	500	501	500	502	500	503	507	501	502	506	500	502

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

CHART 14 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

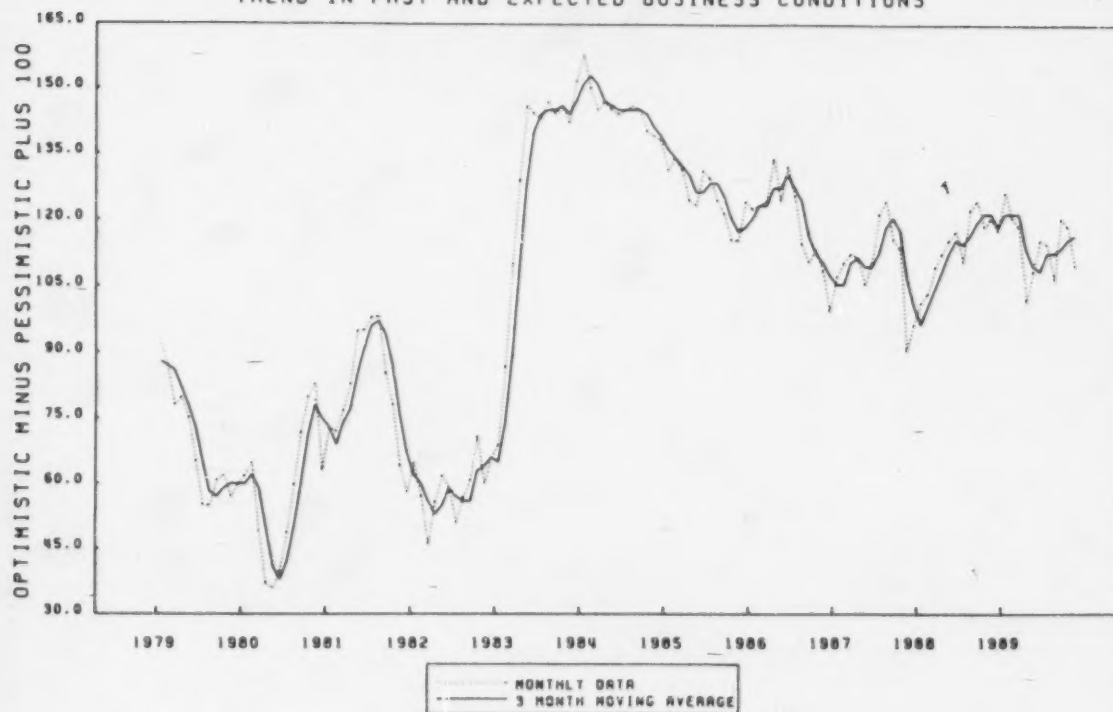


CHART 14 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

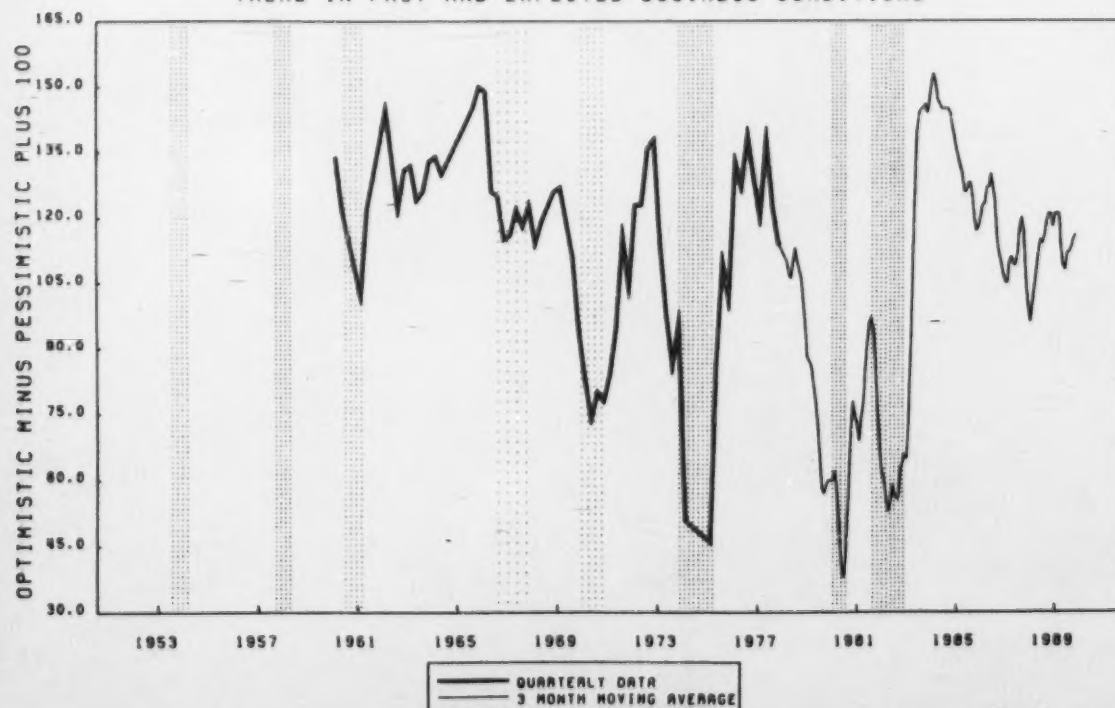


TABLE 14

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989
TREND:													
Continuous increase (a)	13%	10%	16%	18%	12%	14%	13%	15%	14%	11%	14%	15%	10%
Intermittant increase (b)	35	35	34	28	33	24	29	30	30	29	34	33	32
Remain unchanged (c)	10	12	11	13	16	13	12	12	16	14	12	13	13
Intermittant decline (d)	21	19	16	21	16	24	20	18	20	22	18	19	21
Continuous decline (e)	7	9	8	5	11	13	14	12	10	12	10	11	12
Mixed change (f)	10	10	9	10	9	8	7	6	4	7	6	5	6
DK, NA	4	5	6	5	3	4	5	7	6	5	6	4	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	508	500	501	500	502	500	503	507	501	502	506	500	502

Combination of the responses to the questions on Tables 12 and 13.

- Key: (a) Better than a year ago/Better a year from now
 (b) Better/Same or Same/Better
 (c) Same/Same
 (d) Worse/Same or Same/Worse
 (e) Worse/Worse
 (f) Worse/Better or Better/Worse

CHART 15 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

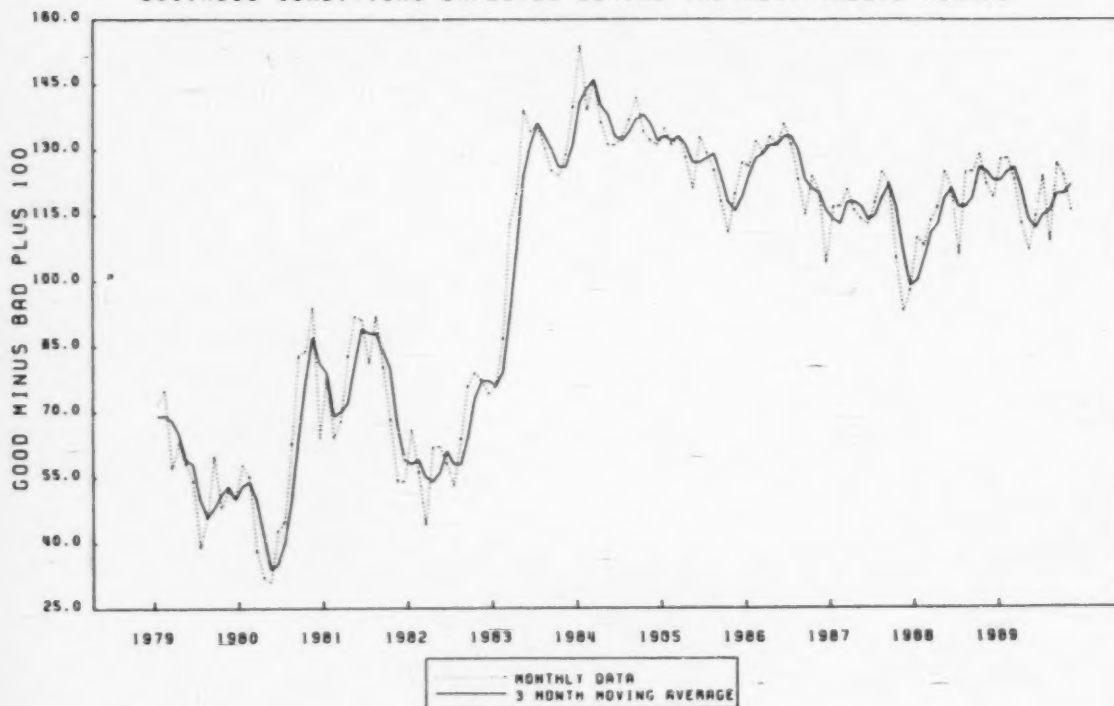


CHART 15 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

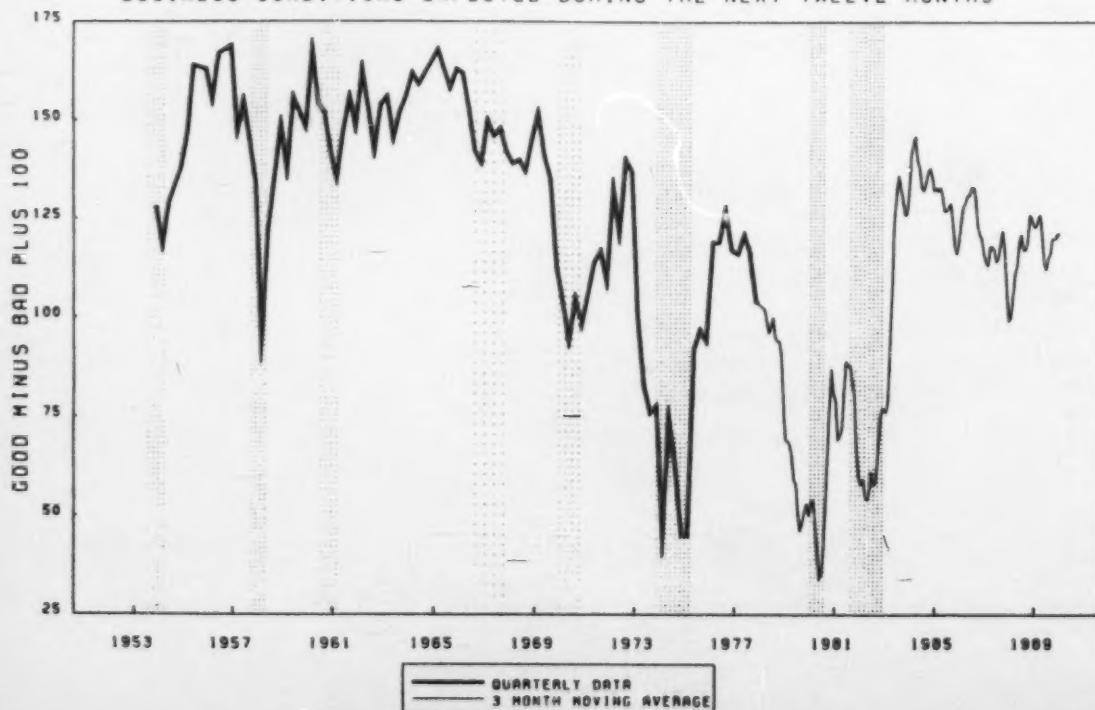


TABLE 15

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989
GOOD TIMES	53%	52%	56%	56%	55%	49%	46%	48%	53%	46%	55%	53%	50%
UNCERTAIN; GOOD & BAD	4	5	4	3	4	3	4	5	4	6	4	5	4
BAD TIMES	31	33	28	28	32	36	39	33	29	37	28	29	34
DON'T KNOW	7	5	7	9	5	6	6	9	7	4	6	8	7
NOT ASCERTAINED	5	5	5	4	4	6	5	5	7	7	7	5	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	508	500	501	500	502	500	503	507	501	502	506	500	502

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 16 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS



CHART 16 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

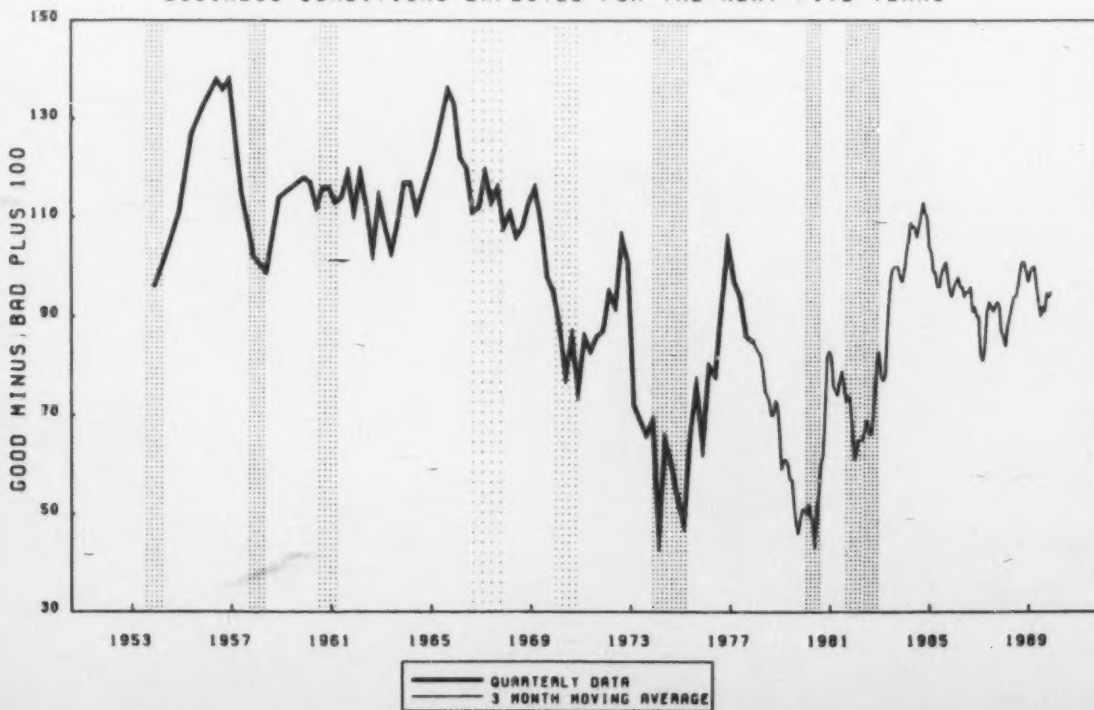


TABLE 16

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989
GOOD TIMES	40%	41%	45%	41%	40%	37%	36%	37%	39%	33%	41%	36%	38%
UNCERTAIN; GOOD & BAD	14	12	9	12	14	13	13	12	13	13	13	14	13
BAD TIMES	43	43	42	42	42	46	47	47	43	45	40	43	46
NOT ASCERTAINED	3	4	4	5	4	4	4	4	5	9	6	7	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	508	500	501	500	502	500	503	507	501	502	506	500	502

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 17 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT



CHART 17 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

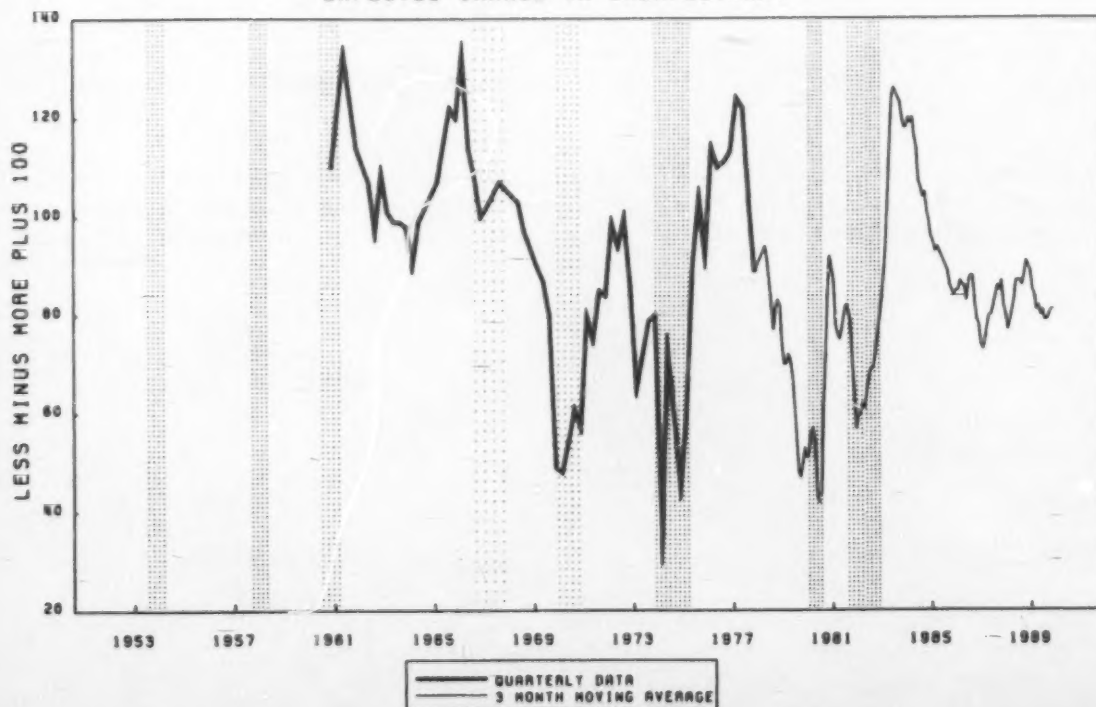


TABLE 17

EXPECTED CHANGE IN UNEMPLOYMENT

	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989
LESS	14%	15%	15%	13%	12%	14%	12%	10%	11%	10%	11%	14%	10%
SAME	57	55	50	55	53	55	52	59	57	54	61	55	54
MORE	27	28	34	30	33	29	35	29	31	35	26	30	35
DK,NA	2	2	1	2	2	2	1	2	1	1	2	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	508	500	501	500	502	500	503	507	501	502	506	500	502

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

CHART 18 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

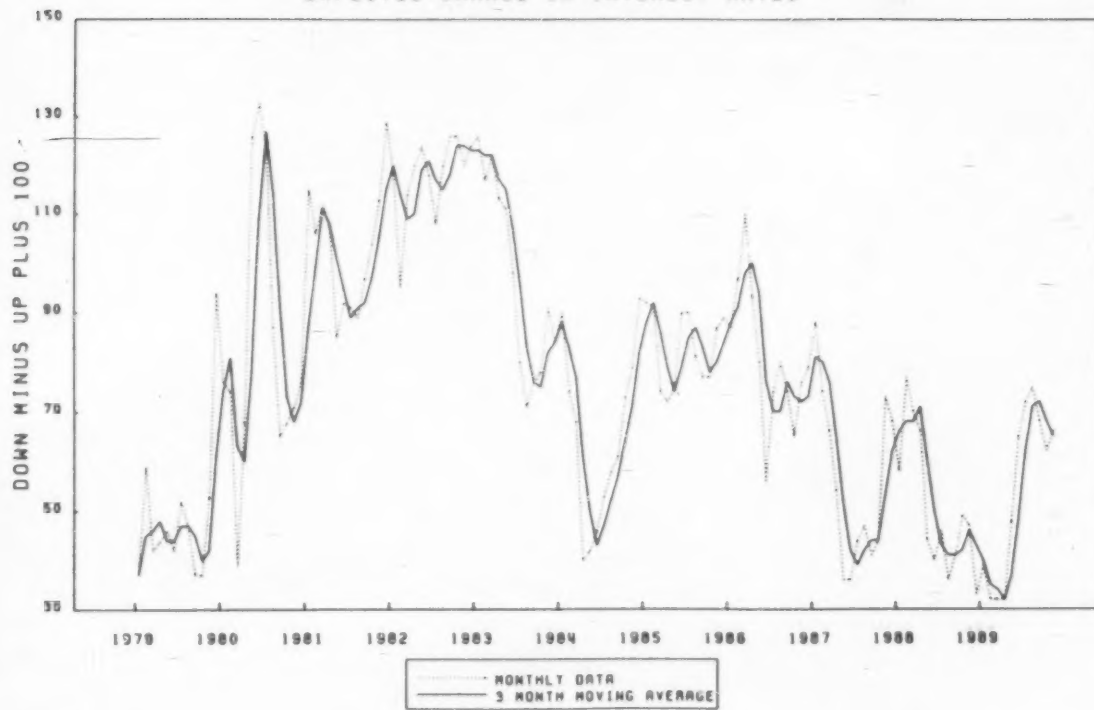


CHART 18 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

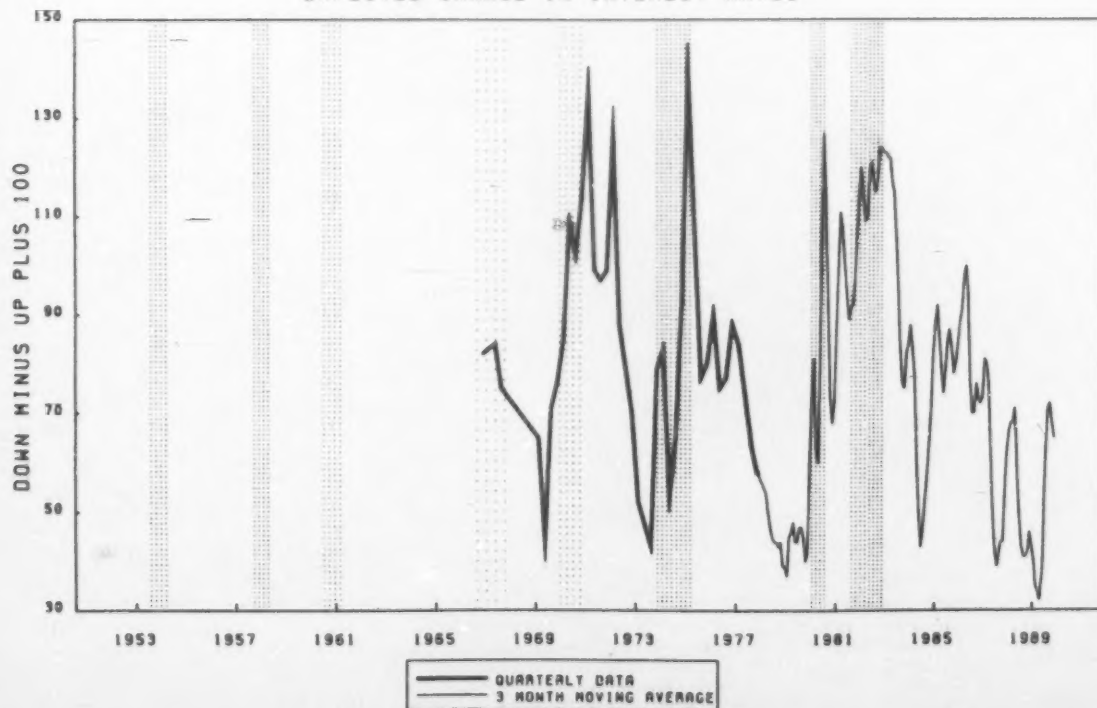


TABLE 18

EXPECTED CHANGE IN INTEREST RATES

	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989
GO UP	62%	74%	68%	75%	73%	75%	64%	54%	51%	49%	50%	55%	52%
STAY THE SAME	27	16	23	16	20	17	20	24	25	24	30	26	27
GO DOWN	9	7	7	7	5	7	12	19	23	24	18	17	18
DK,NA	2	3	2	2	2	1	4	3	1	3	2	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	508	500	501	500	502	500	503	507	501	502	506	500	502

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 19 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS



CHART 19 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

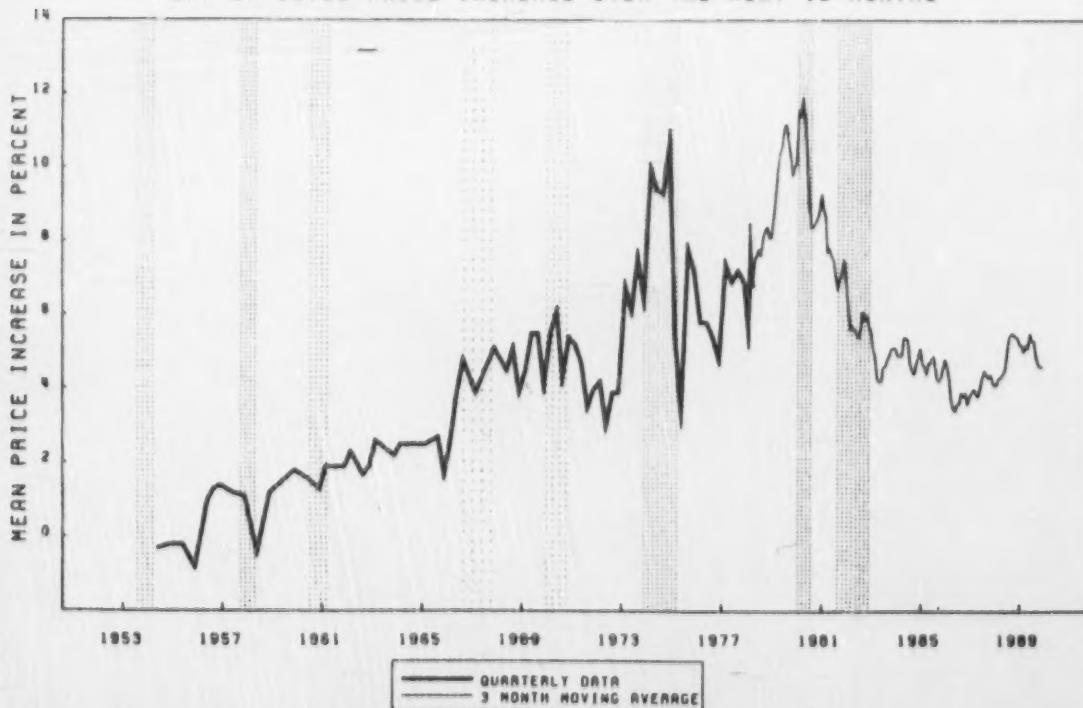


TABLE 19

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989
SAME OR DOWN	11%	10%	10%	11%	12%	8%	10%	10%	10%	13%	13%	12%	12%
WILL GO UP BY:													
1-2%	15	16	20	15	18	17	16	18	18	18	21	19	17
3-4%	28	26	23	24	23	23	19	24	21	23	24	23	26
5%	18	20	19	22	17	21	23	19	22	21	21	19	19
6-9%	8	8	9	10	9	10	9	9	9	6	6	9	7
10-14%	9	11	7	8	9	10	11	10	8	9	6	8	8
15% or more	5	4	6	4	7	5	7	5	5	3	3	3	4
DK how much up	5	4	5	5	4	6	4	5	6	6	5	5	6
DK, NA	1	1	1	1	1	*	1	*	1	1	1	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	5.4	5.0	5.1	4.8	5.6	5.0	5.8	5.0	5.1	4.7	4.4	4.7	4.7
VARIANCE	55	32	41	29	64	24	49	34	39	42	32	32	31
CASES	508	500	501	500	502	500	503	507	501	502	506	500	502

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 20 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

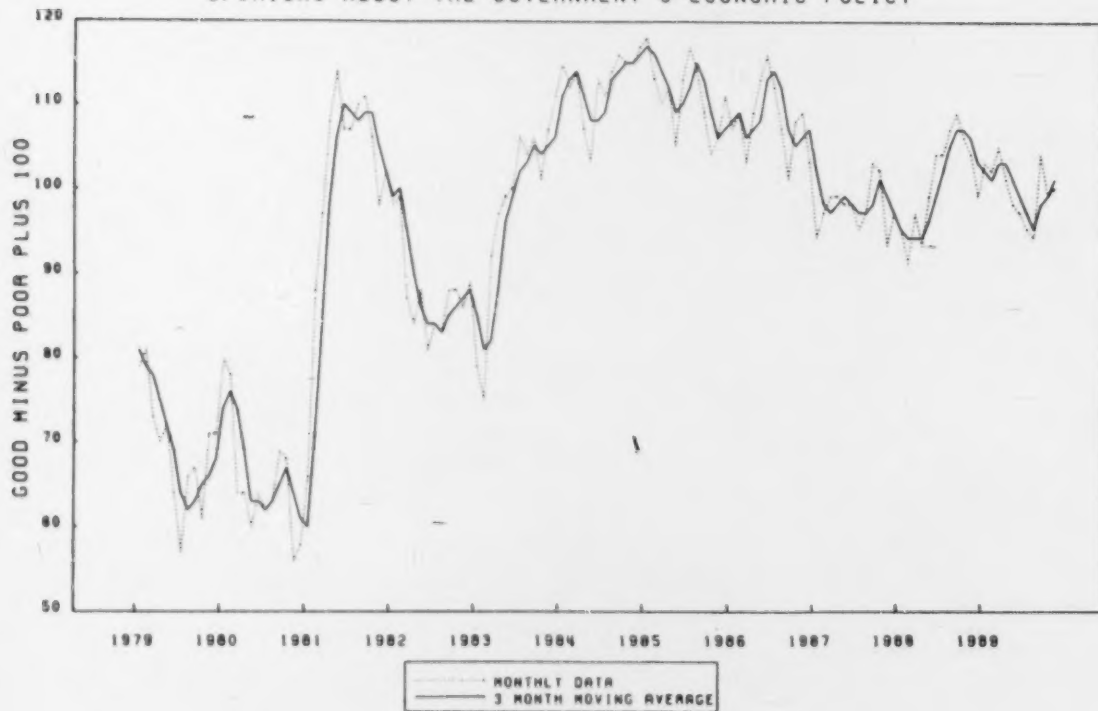


CHART 20 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

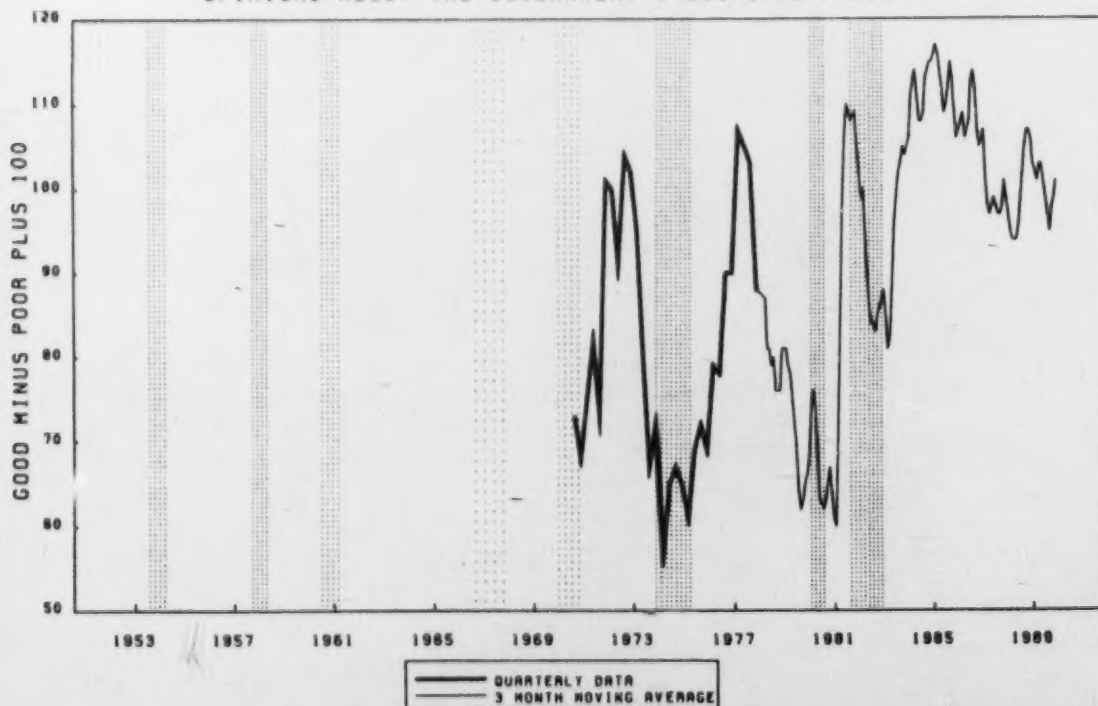


TABLE 20

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989
A GOOD JOB	27%	20%	27%	23%	25%	19%	19%	20%	18%	18%	21%	18%	17%
ONLY FAIR	49	57	48	51	52	59	57	55	56	56	60	61	64
A POOR JOB	23	21	24	21	20	18	21	23	23	24	17	19	17
DK,NA	1	2	1	5	3	4	3	2	3	2	2	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	508	500	501	500	502	500	503	507	501	502	506	500	502

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 21 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

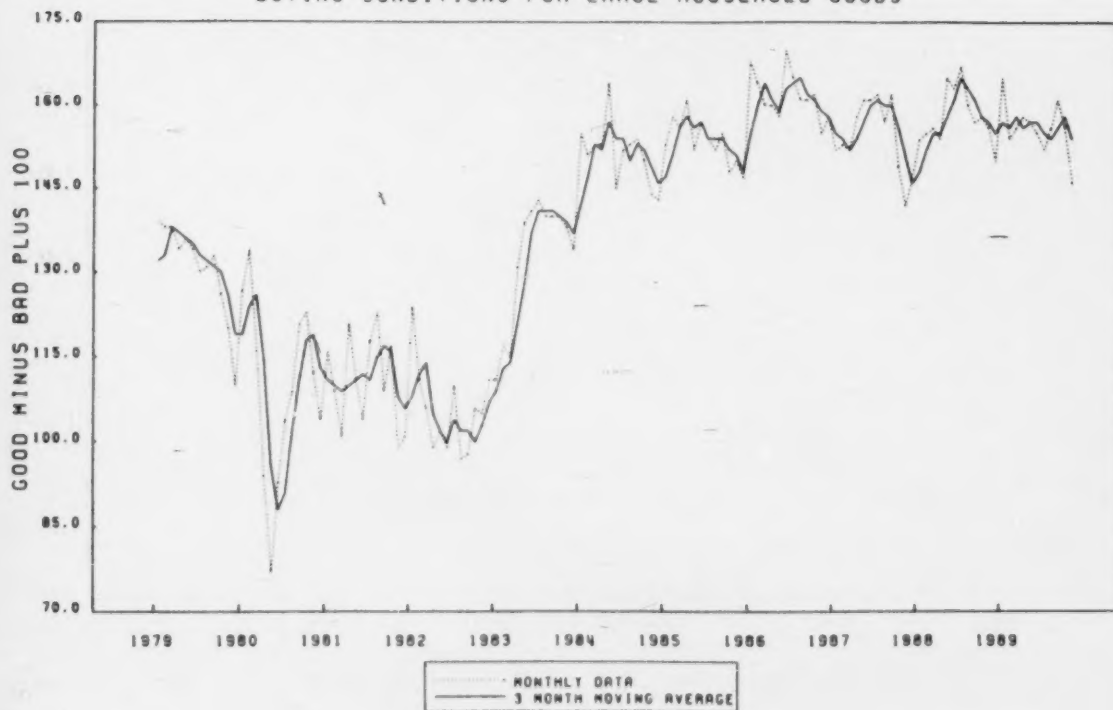


CHART 21 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

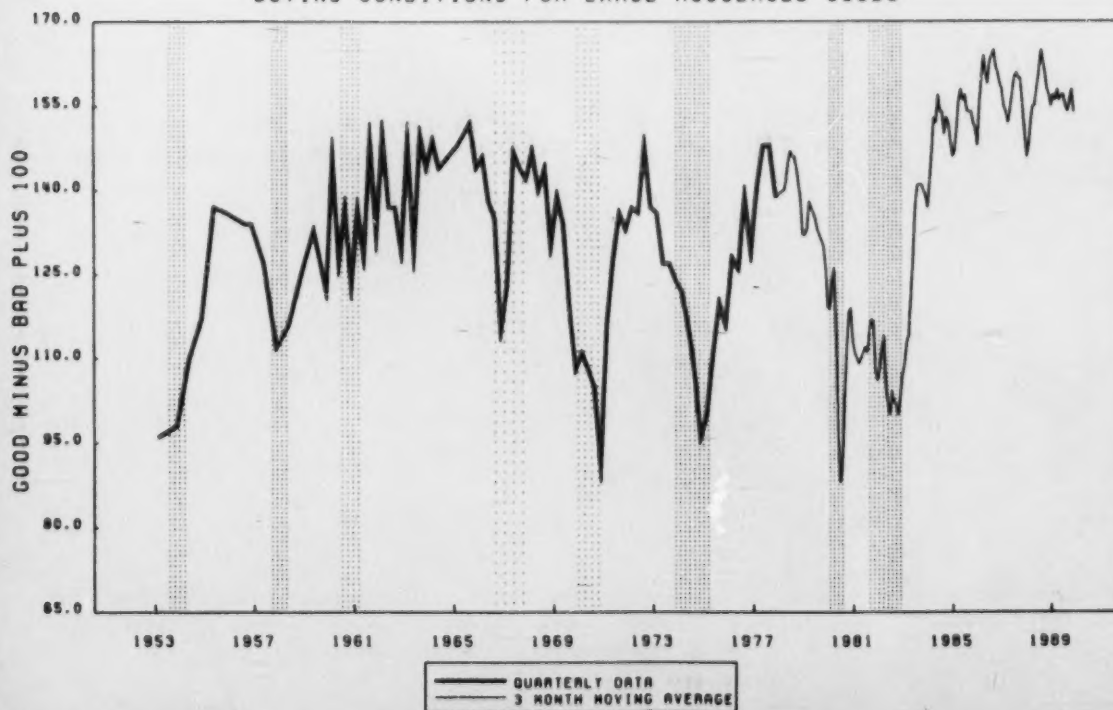


TABLE 21

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989
GOOD TIME TO BUY	73%	70%	78%	71%	72%	75%	73%	71%	71%	73%	75%	73%	67%
UNCERTAIN, DEPENDS	10	10	9	12	12	8	11	13	10	10	11	10	12
BAD TIME TO BUY	17	20	13	17	16	17	16	16	19	17	14	17	21
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	508	500	501	500	502	500	503	507	501	502	506	500	502

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 22A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

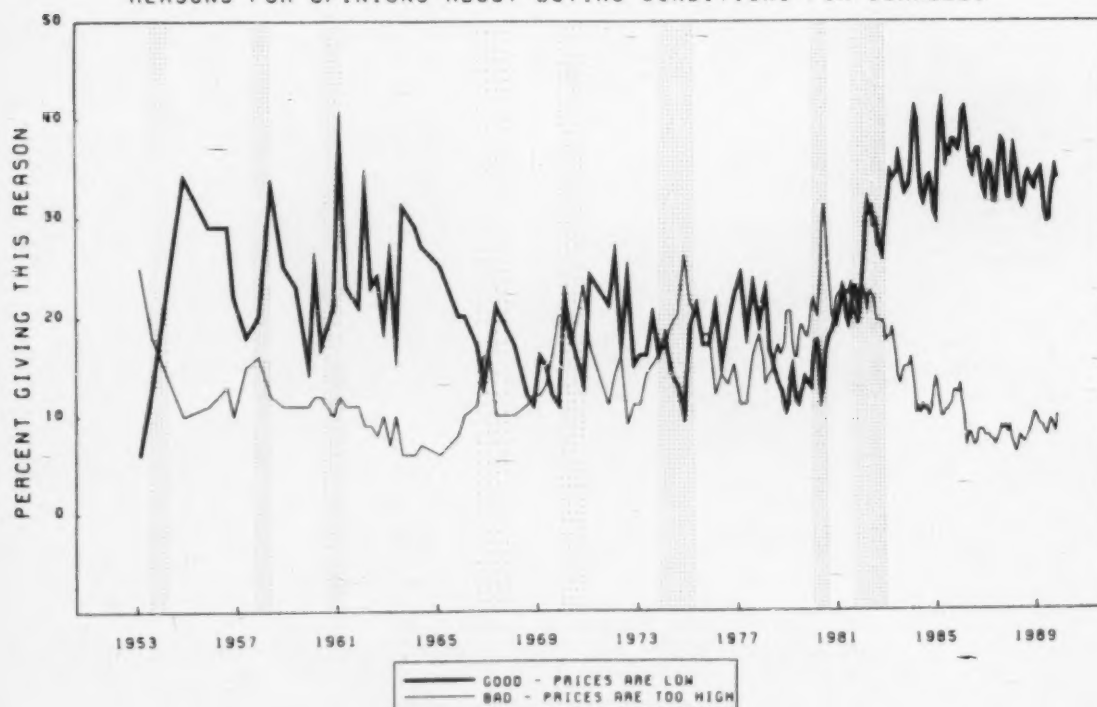


CHART 22B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

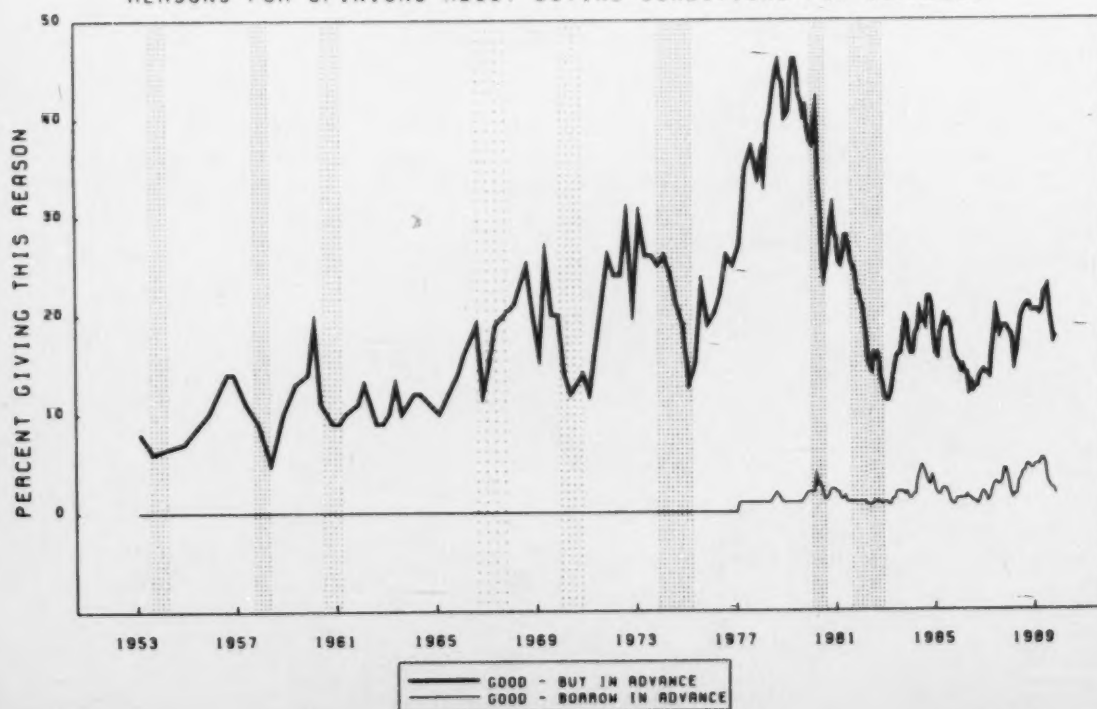


TABLE 22

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989
GOOD TIME TO BUY:													
Prices are low; good buys available	34%	32%	36%	35%	33%	31%	27%	30%	31%	35%	34%	35%	32%
Prices won't come down; are going higher	19	21	21	19	20	22	24	21	23	16	17	19	17
Interest rates are low	8	4	5	4	6	4	5	5	7	7	7	5	7
Borrow-in-advance of rising interest rates	4	5	5	4	5	7	4	3	2	3	2	2	1
Times are good; prosperity	5	7	7	9	7	8	6	6	5	2	8	6	4
BAD TIME TO BUY:													
Prices are high	11	11	7	9	10	7	7	9	10	9	7	8	14
Interest rates are high; credit is tight	3	5	2	5	5	8	5	6	4	4	2	3	3
Times are bad; can't afford to buy	3	3	4	5	4	4	4	3	3	2	4	4	5
Bad times ahead; uncertain future	1	3	3	3	1	2	3	3	3	3	2	2	1

Responses to the query: "Why do you say so?" following the question on Table 21.
+ : May add to more than 100% due to multiple mentions.

CHART 22C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

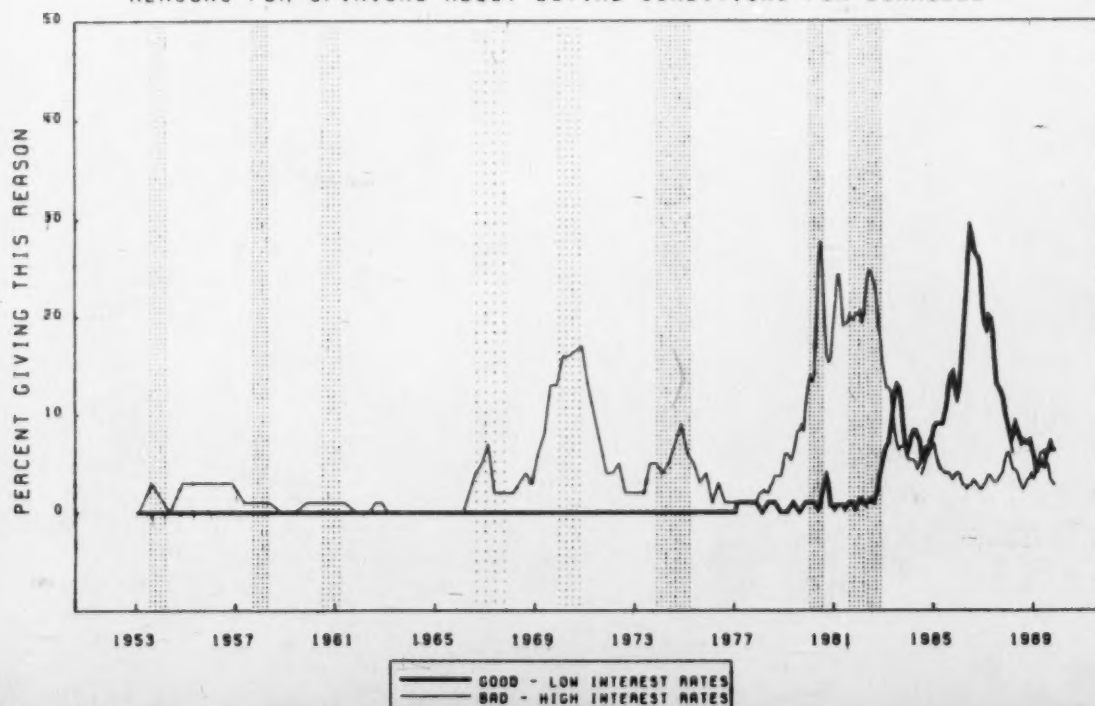


CHART 23 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

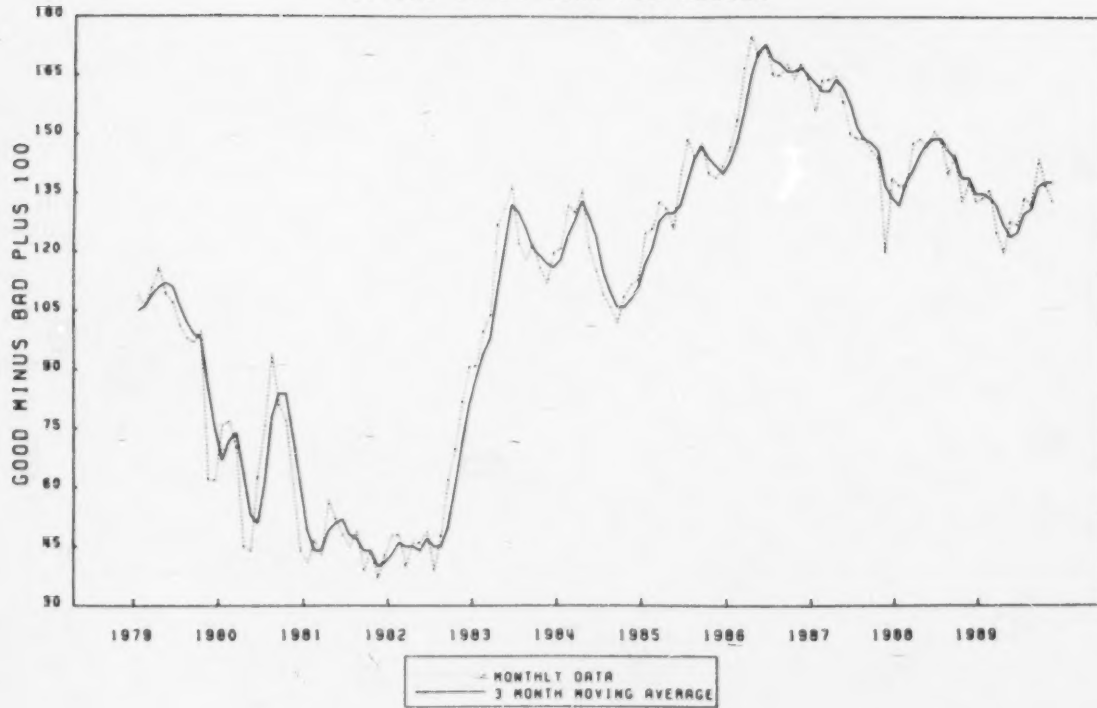


CHART 23 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

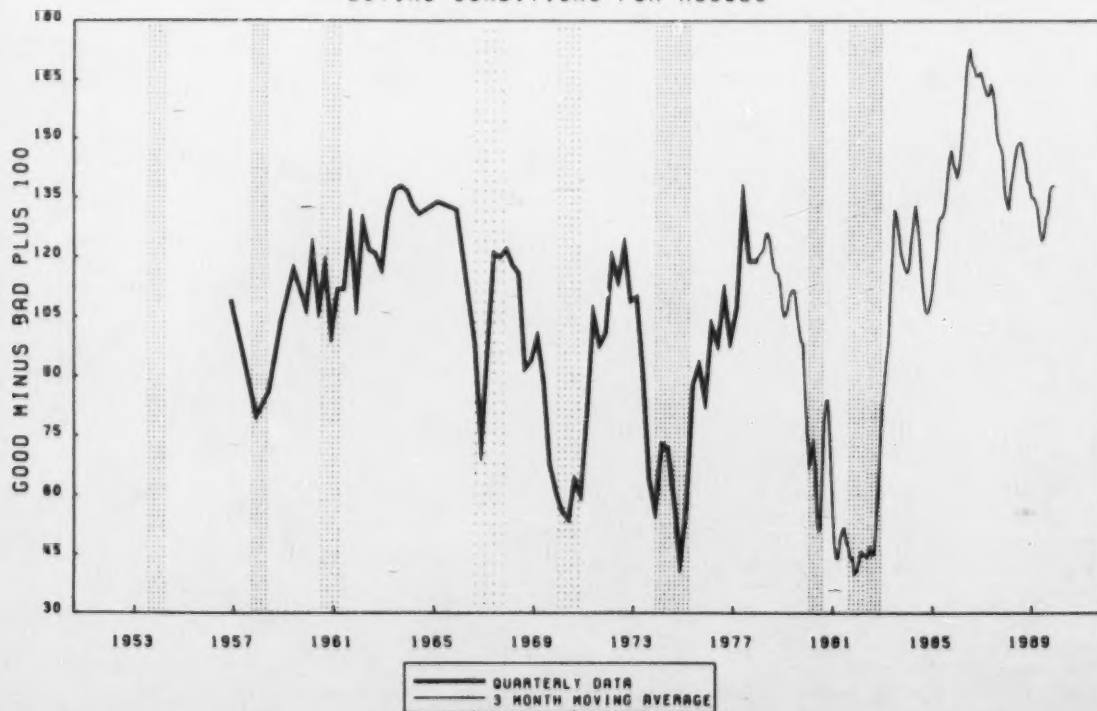


TABLE 23

BUYING CONDITIONS FOR HOUSES

	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989
GOOD TIME TO BUY	67%	63%	64%	64%	60%	58%	61%	61%	64%	64%	70%	66%	63%
UNCERTAIN, DEPENDS	4	7	6	8	5	4	6	5	6	4	4	5	7
BAD TIME TO BUY	29	30	30	28	35	38	33	34	30	32	26	29	30
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	508	500	501	500	502	500	503	507	501	502	506	500	502

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 24A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

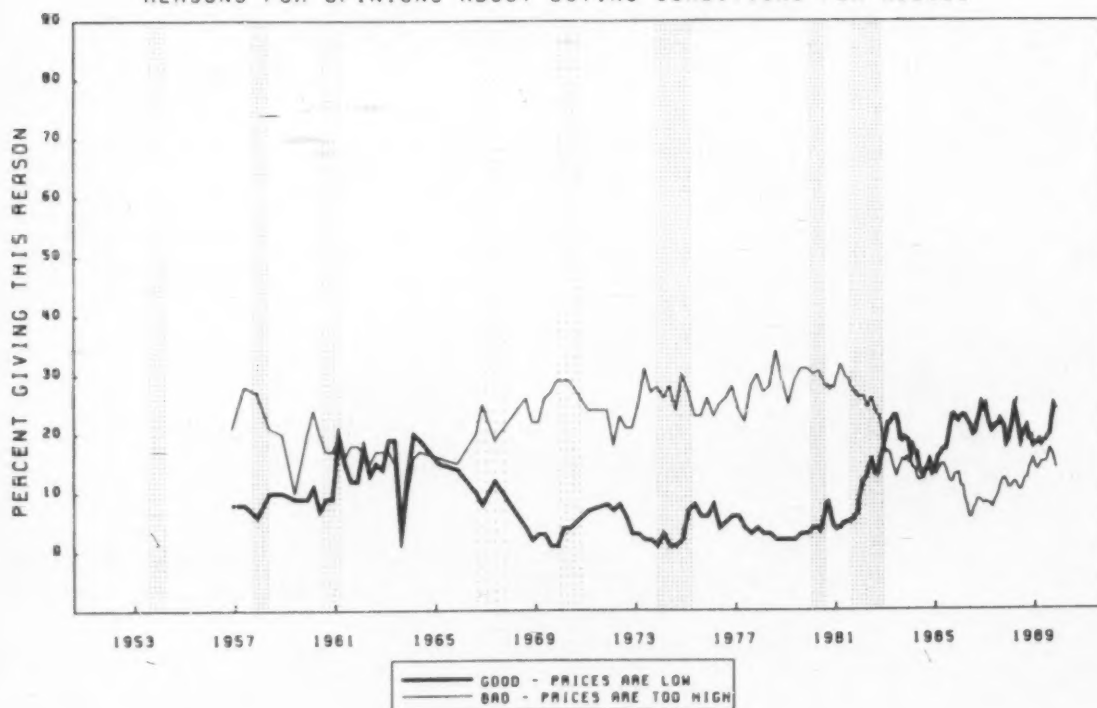


CHART 24B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

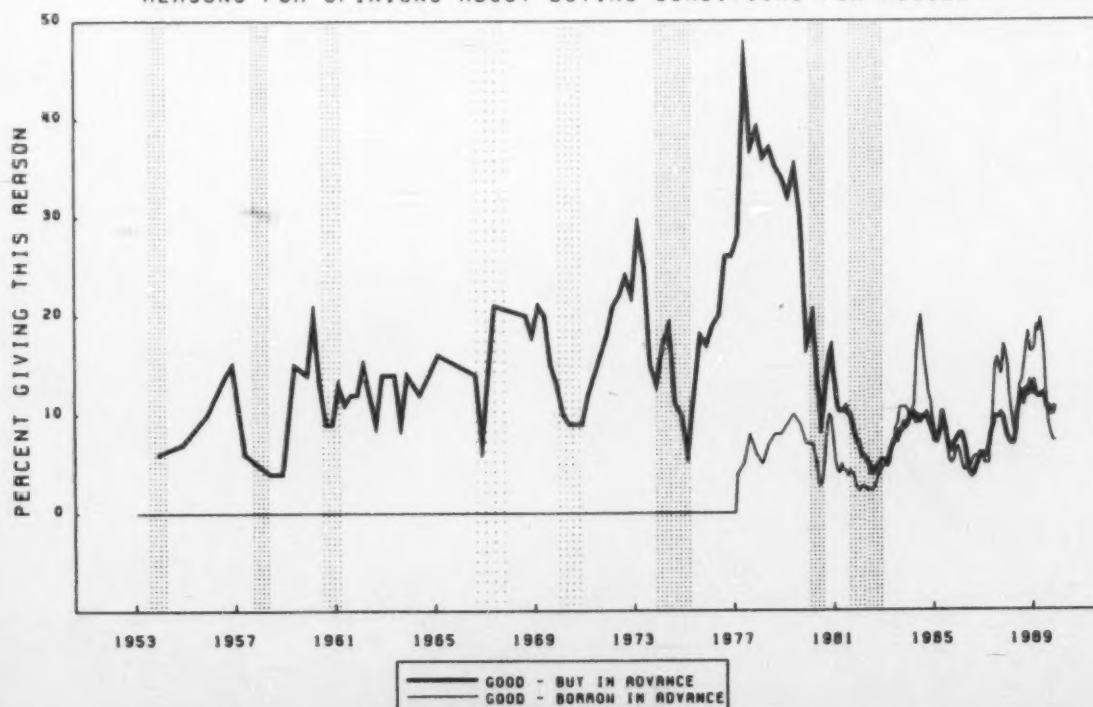


TABLE 24

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989
GOOD TIME TO BUY:													
Prices are low; good buys available	19%	16%	19%	20%	17%	17%	22%	17%	19%	23%	25%	26%	21%
Prices won't come down; are going higher	13	13	13	10	12	13	11	12	9	11	10	9	13
Interest rates are low	33	19	22	20	17	16	16	22	27	28	36	29	29
Borrow-in-advance of rising interest rates	13	21	16	20	19	20	15	11	8	8	8	6	8
Good investment	10	8	7	7	9	6	8	9	8	6	7	6	8
Times are good; prosperity	3	3	4	5	2	4	4	3	5	3	4	5	2

BAD TIME TO BUY:

Prices are high	15	14	14	13	16	16	13	16	18	18	14	15	13
Interest rates are high; credit is tight	12	18	16	12	24	28	25	23	15	15	14	13	15
Times are bad; can't afford to buy	6	3	5	6	7	7	6	5	6	6	6	6	8
Bad times ahead; uncertain future	3	5	4	3	3	4	3	2	2	2	2	1	2

Responses to the query: "Why do you say so?" following the question on Table 23.
+ : May add to more than 100% due to multiple mentions.

CHART 24C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

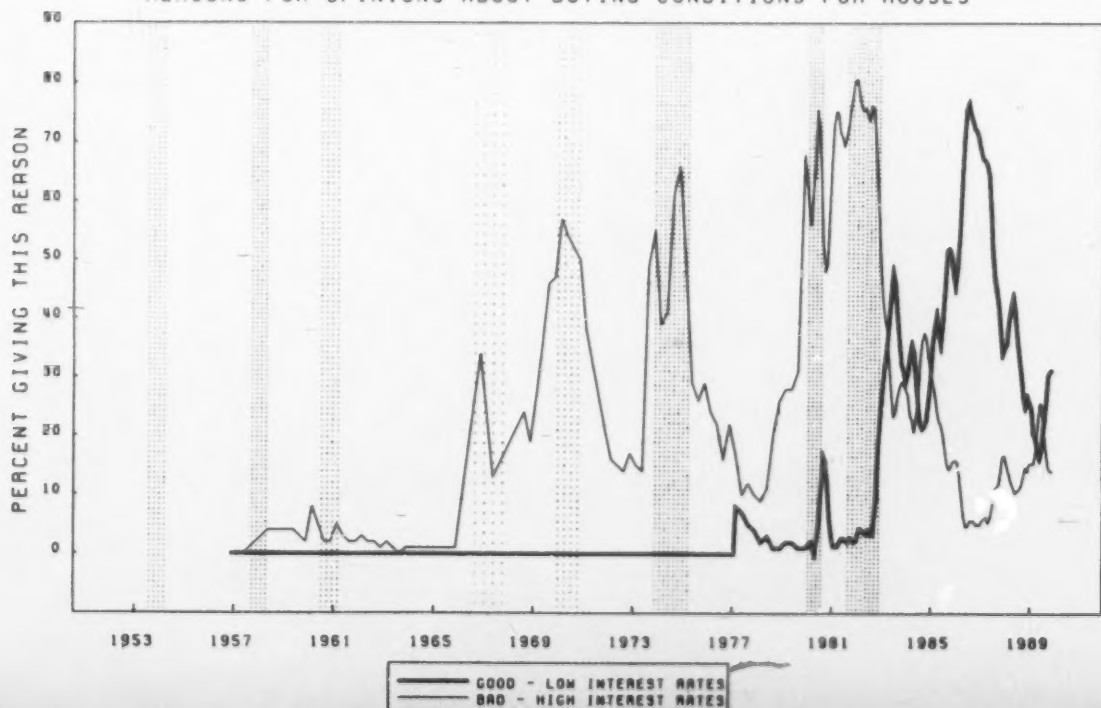


CHART 25 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

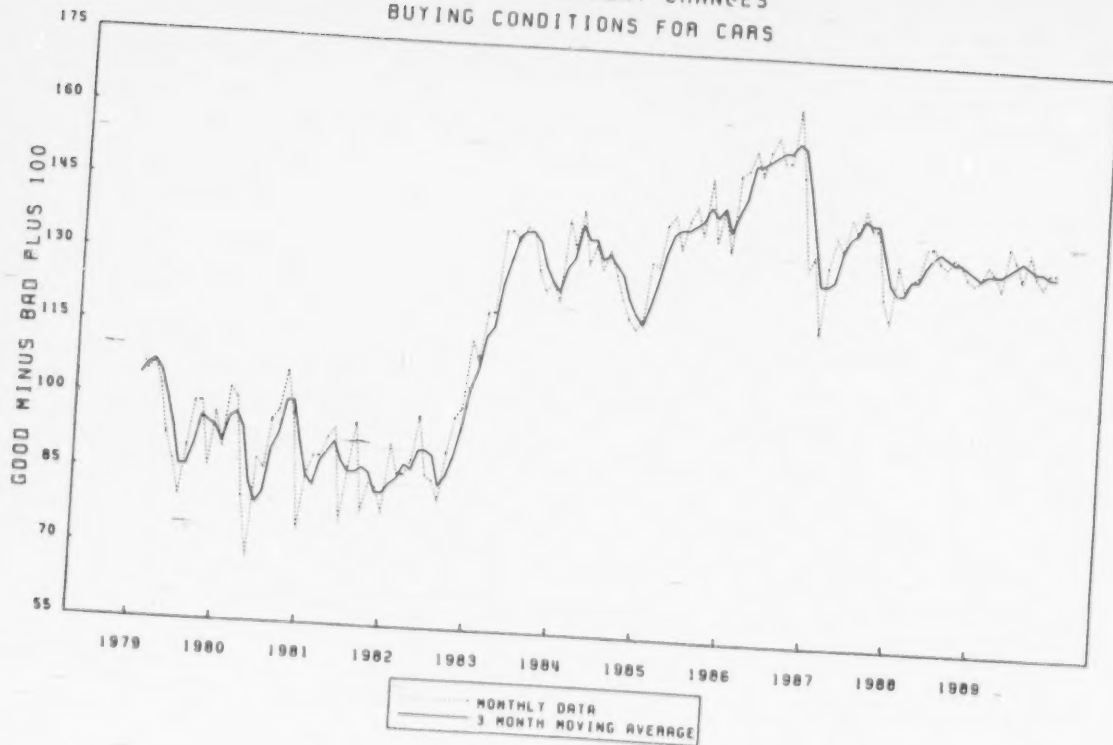


CHART 25 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

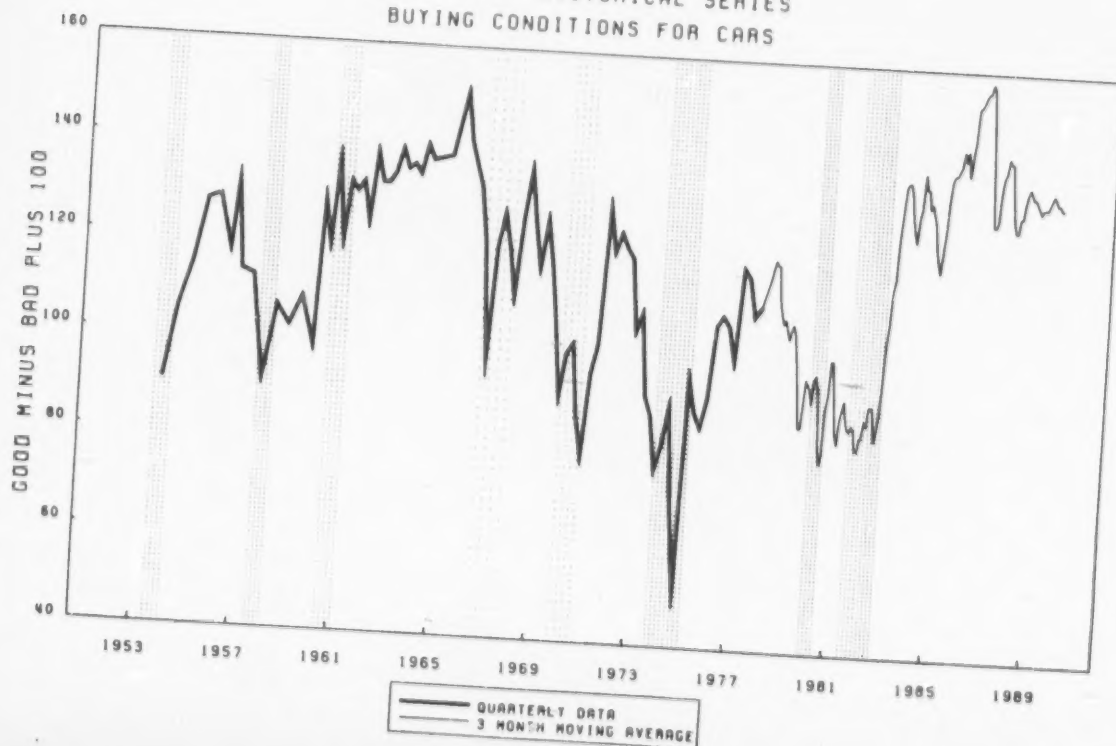


TABLE 25

BUYING CONDITIONS FOR CARS

	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989
GOOD TIME TO BUY	61%	61%	62%	61%	61%	65%	63%	61%	64%	61%	61%	62%	62%
UNCERTAIN; DEPENDS	9	10	11	11	8	9	10	10	10	11	9	10	10
BAD TIME TO BUY	30	29	27	28	31	26	27	29	26	28	30	28	28
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	508	500	501	500	502	500	503	507	501	502	506	500	502

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 26A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

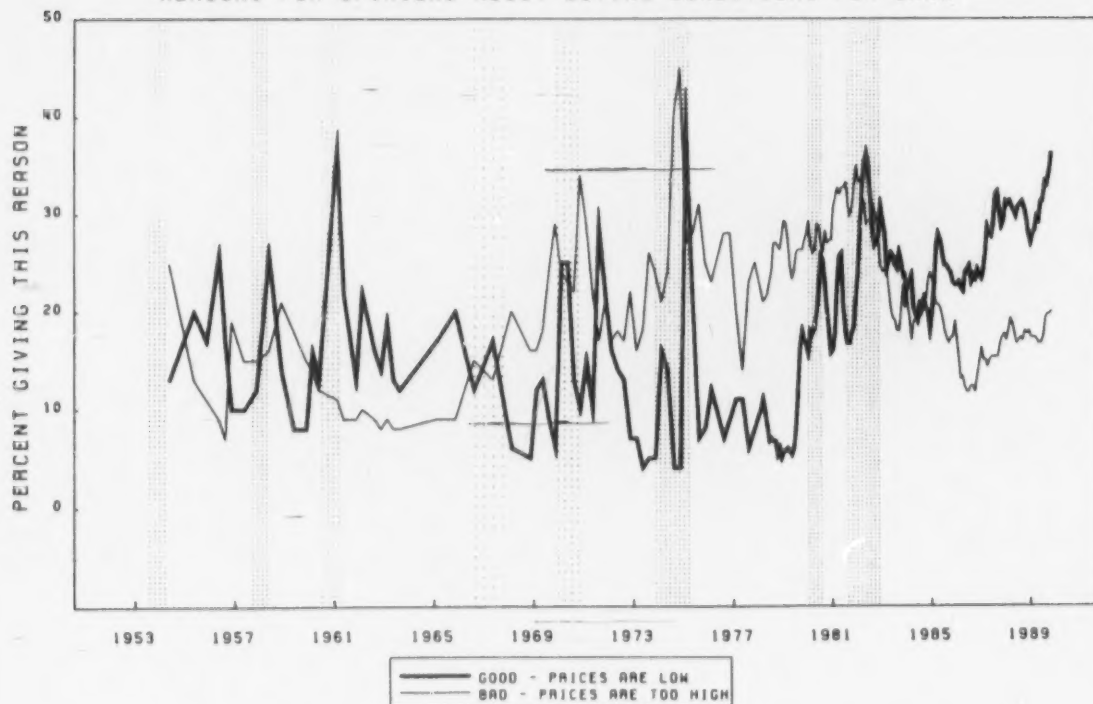


CHART 26B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

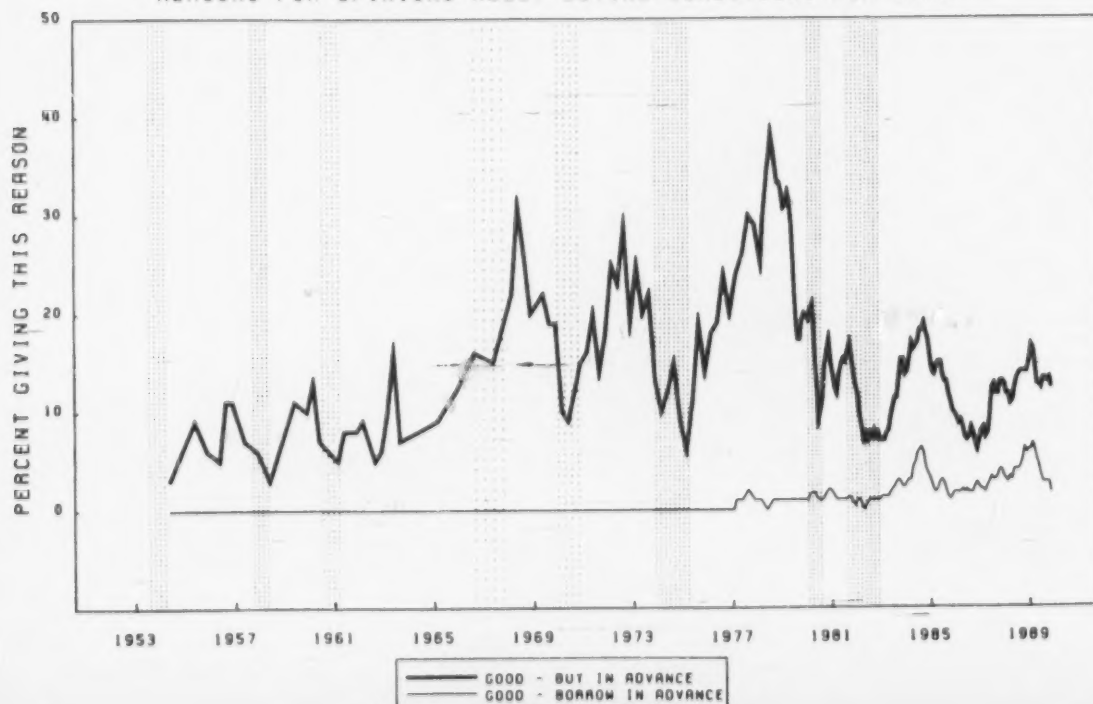


TABLE 26

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

GOOD TIME TO BUY:

	Nov. 1988	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989
Prices are low; good buys available	27%	26%	28%	30%	27%	32%	29%	33%	32%	35%	32%	36%	41%
Prices won't come down; are going higher	15	17	18	14	12	12	14	11	15	14	10	16	11
Interest rates are low	14	14	11	15	15	25	23	21	19	18	18	13	15
Borrow-in-advance of rising interest rates	4	7	7	6	5	4	4	2	2	4	2	2	1
Times are good; prosperity	4	4	5	4	3	3	3	2	3	2	4	3	2

BAD TIME TO BUY:

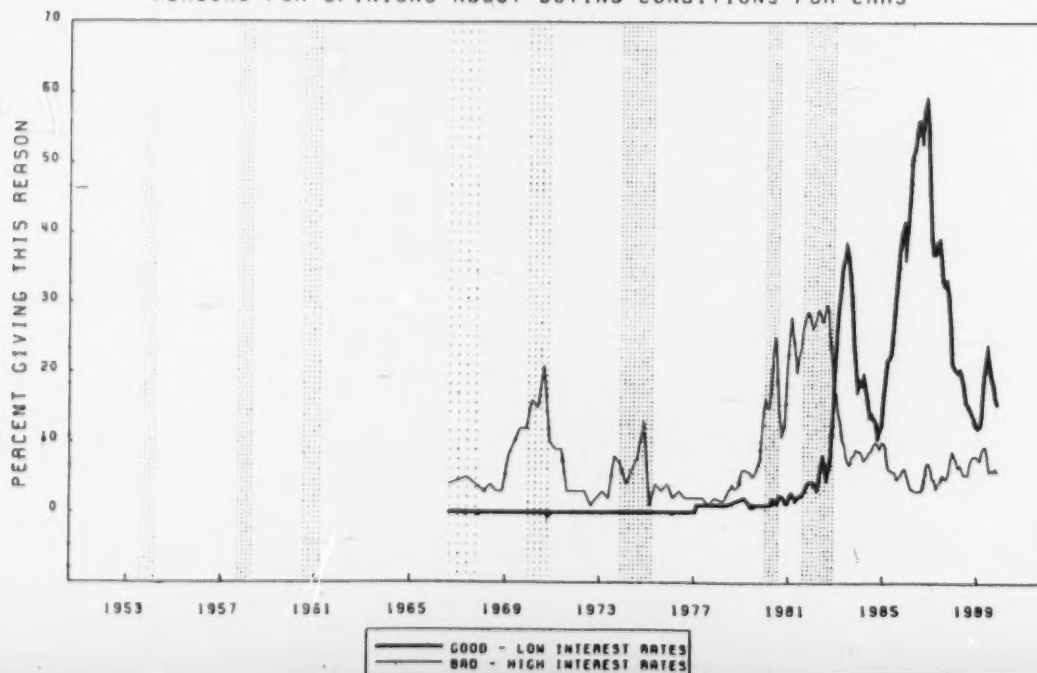
Prices are high	17	18	17	17	18	16	16	18	18	22	19	18	23
Interest rates are high; credit is tight	7	9	7	6	13	9	6	7	4	7	6	6	5
Times are bad; can't afford to buy	2	4	2	4	2	3	4	3	2	2	5	4	4
Bad times ahead; uncertain future	2	3	1	1	2	3	2	1	1	2	1	2	1
Poor selection; quality	3	2	4	3	3	2	3	2	3	2	3	2	3

Responses to the query: "Why do you say so?" following the question on Table 25.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 26C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS



EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES

THE INDEX OF CONSUMER SENTIMENT

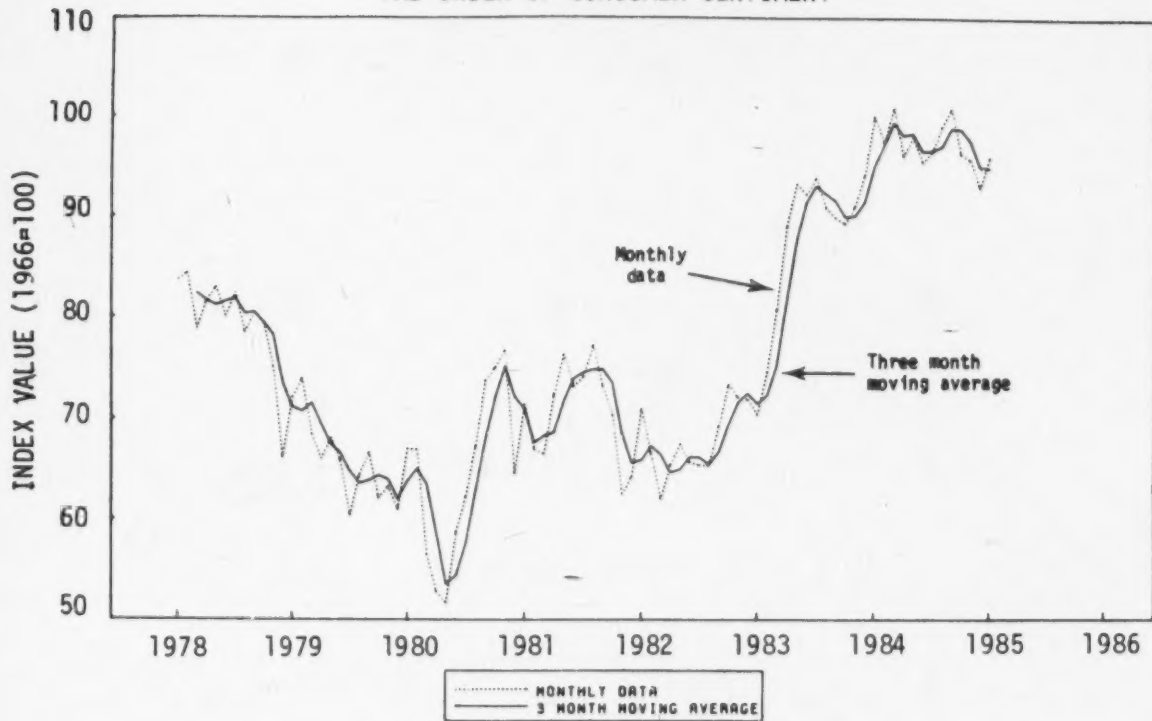
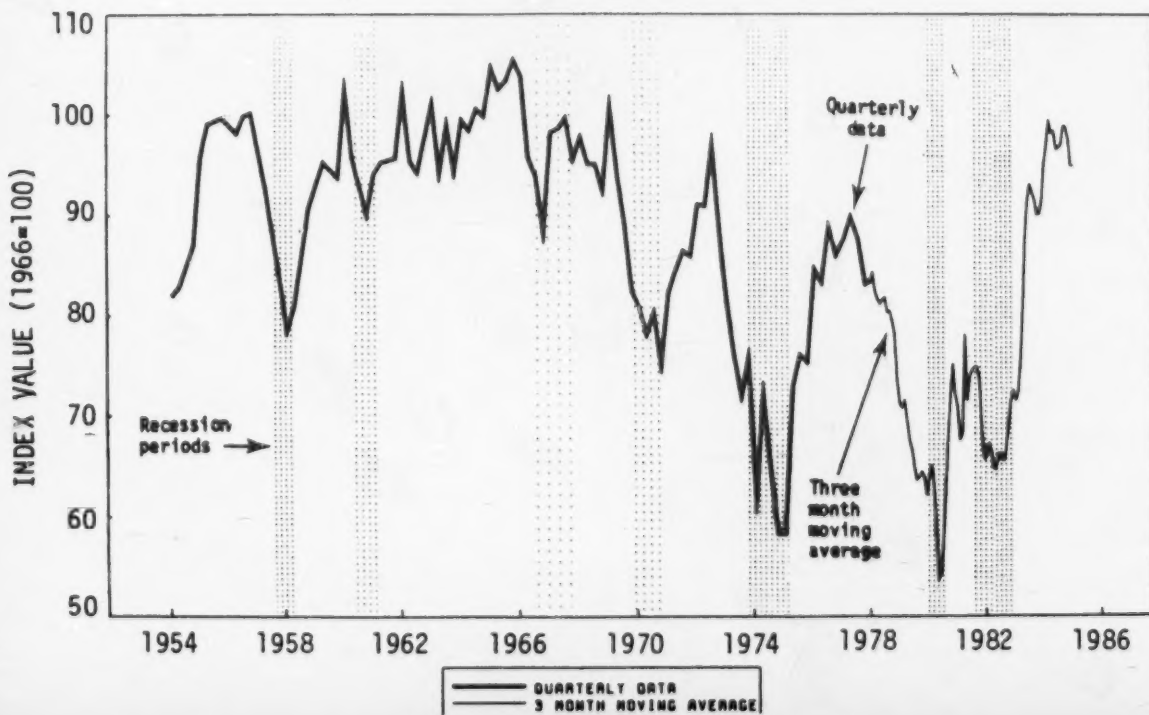


CHART 1 - HISTORICAL SERIES

THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHARTS

DATA POINTS

QUARTERLY DATA: Data collected by surveys conducted at three month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE-MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

TIME SCALE

Each tic mark on the time scale represents the month of January for the indicated year.

RECESSION PERIODS

November	1948 - October	1949
July	1953 - May	1954
August	1957 - April	1958
April	1960 - February	1961
June	1966 - November	1967*
December	1969 - November	1970
November	1973 - March	1975
January	1980 - July	1980
July	1981 - November	1982

Recession dates are determined by the National Bureau of Economic Research.

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters

***GROWTH RECESSION:** Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

RECOMMENDED ALLOWANCE FOR SAMPLING ERROR OF A PERCENTAGE
(Sampling Error Allowance in Percentage Points¹)

For Estimated Percentage Near	Number of Interviews											
	100	200	300	400	500	750	1000	1250	1500	2000	2500	3000
1% or 99%	2.2	1.6	1.3	1.1	1.0	0.8	0.7	0.6	0.6	0.5	0.4	0.4
5% or 95%	4.9	3.5	2.8	2.4	2.2	1.8	1.5	1.4	1.3	1.1	1.0	0.9
10% or 90%	6.7	4.8	3.9	3.4	3.0	2.4	2.1	1.9	1.7	1.5	1.3	1.2
20% or 80%	9.0	6.3	5.2	4.5	4.0	3.3	2.8	2.5	2.3	2.0	1.8	1.6
30% or 70%	10.3	7.3	5.9	5.1	4.6	3.7	3.2	2.9	2.6	2.3	2.0	1.9
40% or 60%	11.0	7.8	6.3	5.5	4.9	4.0	3.5	3.1	2.8	2.4	2.2	2.0
50%	11.2	7.9	6.5	5.6	5.0	4.1	3.5	3.2	2.9	2.5	2.2	2.0

¹The figures in this table represent two standard errors. Hence, the chances are 95 in 100 that the true percentage lies within a range equal to the observed percentage, plus or minus the sampling error.



December 1989 Monthly Survey

January 5, 1990

Surveys of Consumers

Richard T. Curtin, *Director*

Overall Sentiment Remains Unchanged Buying Attitudes Weaken

Index Sags

The Index of Consumer Sentiment was 90.5 in the December 1989 survey, insignificantly below the 90.9 recorded in November 1989 and the 91.9 in December 1988. Although it still remains at a relatively favorable level, the December Index reading was the lowest recorded since the end of the 1987.

Buying attitudes has been the major source of weakness during the past three months, while personal financial attitudes have remained largely unchanged.

Among families with incomes of \$40,000 or more, the Index rose to 104.1 in December 1989 from 100.5 one month earlier and 99.5 one year earlier.

Components Reflect Current Economic Slowdown

The Index of Consumer Expectations, the component of the Index of Leading Indicators, edged upward in the December 1989 survey, rising to 85.5 from 84.3 in November, duplicating the December 1988 reading. The small December improvement was due to more favorable assessments of long term prospects for the economy.

In contrast to the uptick in expectations for future change, evaluations of current economic conditions declined. The Current Conditions Index fell to 98.2

in December 1989, from 101.2 one month earlier and 102.0 one year earlier. The December 1989 reading was the lowest level recorded since 1983. Indeed, the Current Conditions Index has fallen below 100 in only two monthly surveys during the past six years—the other time was in the November 1987 survey following the stock market crash. The major source of this decline has been growing weakness in attitudes toward buying condition for large household durables.

Price Concerns Weaken Buying Attitudes toward Household Durables

The proportion holding favorable attitudes toward buying conditions for furniture, appliances, and home electronics fell to 65 percent in December, from 67 percent one month earlier and 75 percent three months earlier. The year-end 1989 figure was the lowest recorded since the start of the current expansion.

Although references to the availability of low and discounted prices have remained unchanged in the December survey from three months earlier, more families viewed current prices as too high and a reason to postpone their purchases. Among all families, 34 percent cited the availability of low or discounted prices in December, unchanged from the September reading; references to high prices, however, rose to 14 percent, twice the 7 percent recorded in September.

Vehicle Buying Attitudes Post Small Decline

Favorable evaluations of buying conditions for vehicles were held by 58 percent of all families in the December 1989 survey, down from 62 percent one month earlier and 61 percent one year earlier. Although the recent decline was relatively small, it left the December reading at the least favorable level recorded during the past two years.

At the close of 1989, consumers were more likely to report the availability of price discounts than at year-end 1988—38 percent mentioned the availability of price discounts in December 1989, up from 26 percent in December 1988. But consumers were less concerned with the possibility that prices would increase during the year ahead—11 percent in December 1989, down from 17 percent one year earlier. Thus, not only did consumers more frequently expect the continued availability of discounts, consumers less often thought it would be best to advance their purchases to take advantage of current discounts.

The availability of lower interest rates on the purchase of new vehicles was reported by 13 percent of all families in the December 1989 survey, between the 15 percent recorded one month earlier and the 11 percent recorded one year earlier. Interestingly, the December 1989 survey did not reflect any improvement due to the latest round of interest rate incentives. Most likely this was due to the short time period between the initial announcement of the incentive program and the completion of interviewing (by December 21st). The January survey will reveal whether this was the case, or if the interest rate discount was simply judged too small or too limited to take special notice.

Home Buyers Await Further Declines in Mortgage Rates

Favorable home buying attitudes were held by 64 percent of all families in the December 1989 survey, although largely unchanged from the 63

percent recorded one month earlier, it was significantly below the 70 percent recorded three months earlier.

The primary reason for the decline since the September 1989 survey has been less favorable evaluations of mortgage rate trends. In the December 1989 survey, 26 percent of all families cited the availability of lower mortgage interest rates, down from 36 percent in September 1989. Nonetheless, these views on mortgage rates represent an improvement over those of a year earlier, when 19 percent reported the availability of low mortgage rates. Moreover, at the close of 1989, few consumers thought that it would be better to borrow-in-advance of rising rates—reported by just 8 percent in December 1989, down from 21 percent in December 1988.

Personal Finances Remain Favorable

Consumers' evaluations of their personal financial situation remained largely unchanged in the most recent survey. Among all families in the December 1989 survey, 41 percent reported that their financial situation had improved, just between the 42 percent recorded one month earlier and the 39 percent recorded one year earlier.

Fewer families reported income increases and fewer families reported income declines, leaving net income trends largely unchanged. Income increases were reported by 31 percent of all families in December 1989, just below the 32 percent recorded in November and the 35 percent recorded at year-end 1988. Declines in family incomes, however, were also reported less frequently. At year-end 1989, just 11 percent of all families reported income declines compared with 17 percent at year-end 1988.

Consumers continued to view the outlook for their finances in positive terms. At year-end 1989, 37 percent of all families expected their financial situation to improve during 1990. This was only slightly below the 39 percent that expected

improved finances during 1989. Only a very small proportion of American families expected their financial situation to worsen during 1990 (8 percent), while half of all families expected their financial situation to remain the same considering changes in both incomes and prices.

Economy Expected To Continue On Present Slow Growth Path

Consumers' assessments of recent changes in the national economy improved at year-end. The proportion that thought the economy had improved during the past year rose to 45 percent in December from 42 percent in November, and the proportion that expected further improvement during the year ahead rose to 24 percent in December from 18 percent a month earlier. The majority, however, continued to expect no significant change in the performance of the national economy (55 percent in the December 1989 survey).

Good times financially in the country as a whole during the year ahead were expected by 49 percent of all families in the December 1989 survey, just below the 50 percent recorded in November and the 52 percent recorded in December 1988. Over the longer term, 39 percent of all families expected good times financially over the next five years, between the 38 percent recorded one month earlier and the 41 percent recorded one year earlier.

Inflation Expectations Hold Steady

Consumers expected an annual rate of inflation of 4.6% during the year ahead in the December 1989 survey, down insignificantly from the 4.7% recorded in the prior two monthly surveys. Although inflation expectations have remained largely unchanged during the last half of 1989, they are at lower levels than in late 1988.

Interest Rate Expectations Post Small Improvement

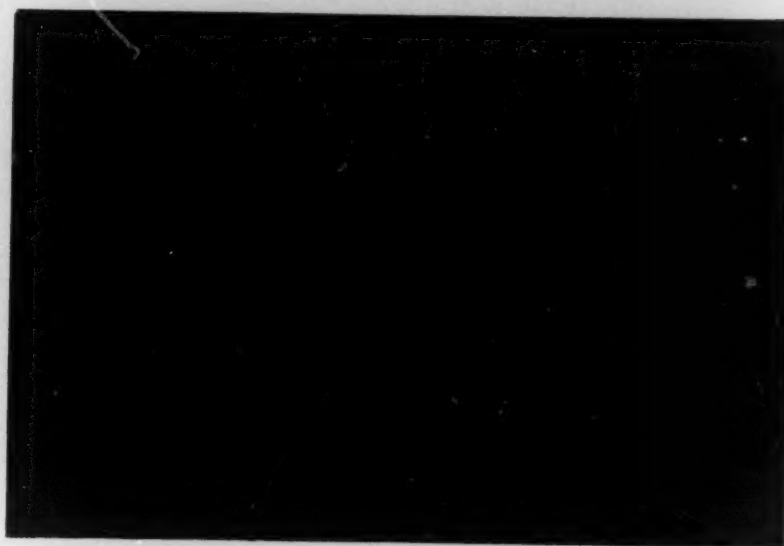
Increases in interest rates were expected by 46 percent of all families in the December 1989 survey, down from 52 percent in November and 74 percent in December of 1988. Interest rate declines were expected by 25 percent of all families in the December 1989 survey, the highest proportion to expect declines in more than two years. Most of this improvement was recorded by mid 1989, with interest rate expectations posting only small improvements since then.

* * *

The December 1989 survey included 500 completed interviews conducted between December 1 and December 21, 1989.

SURVEYS OF CONSUMERS

V7475-2



MONITORING
ECONOMIC CHANGE
PROGRAM



Institute for Social Research

SURVEYS OF CONSUMERS

DECEMBER 1989

The December 1989 survey was the 257th in a series of Surveys of Consumers conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results for the total sample will differ by no more than 5 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

While every effort is made to accurately measure consumer attitudes and expectations, factors other than sampling may also affect the accuracy of these (and other) findings. These factors may include effects of the question wording, the ability of respondents to articulate answers and opinions, refusal to participate in the survey, and incomplete coverage of the population. There are no standard measures of these effects, but their presence should be acknowledged when using these and all other survey data. While measurement effects are present in all surveys, a noted advantage of time-series data is that the non-sampling influences remain relatively constant across samples.

TABLE OF CONTENTS

TABLE	TITLE
1.	The Index of Consumer Sentiment
2.	Index of Consumer Sentiment within Region and Age Subgroups
3.	Components of the Index of Consumer Sentiment
4.	Current Financial Situation Compared to a Year Ago
5.	Selected Reasons for Opinions About Personal Financial Situation
6.	Expected Change in Financial Situation
7.	Trend in Personal Financial Situation
8.	Expected Family Income Change During the Next 12 Months
9.	Expected Change in Real Family Income
10.	News Heard of Recent Changes in Business Conditions
11.	Selected Items of News Heard of Recent Changes in Business Conditions
12.	Current Business Conditions Compared to a Year Ago
13.	Expected Change in Business Conditions in a Year
14.	Trend in Past and Expected Changes in Business Conditions
15.	Business Conditions Expected During the Next 12 Months
16.	Business Conditions Expected During the Next 5 Years
17.	Expected Change in Unemployment
18.	Expected Change in Interest Rates
19.	Expected Change in Prices During the Next 12 Months
20.	Opinions About the Government's Economic Policy
21.	Buying Conditions for Large Household Goods
22.	Selected Reasons About Buying Conditions for Large Household Goods
23.	Buying Conditions for Houses
24.	Selected Reasons for Opinions About Buying Conditions for Houses
25.	Buying Conditions for Cars
26.	Selected Reasons for Opinions About Buying Conditions for Cars

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT



CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

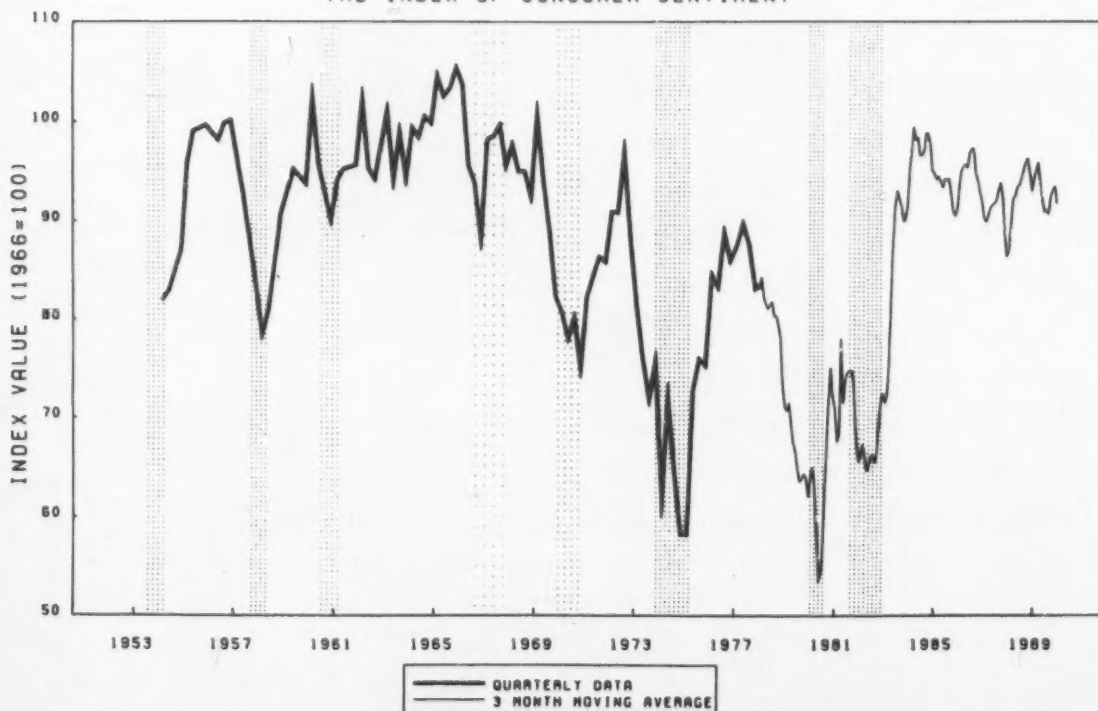


TABLE 1
THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	All families	Families with incomes over \$30,000	Families with incomes over \$40,000
December 1986	89.1	98.7	98.3
January 1987	90.4	101.2	104.0
February 1987	90.2	103.6	103.6
March 1987	90.8	97.8	96.1
April 1987	92.8	98.5	103.1
May 1987	91.1	97.7	99.2
June 1987	91.5	102.9	102.9
July 1987	93.7	102.5	104.0
August 1987	94.4	104.4	109.1
September 1987	93.6	100.6	104.3
October 1987	89.3	99.9	101.8
November 1987	83.1	87.7	90.5
December 1987	86.8	94.5	96.1
January 1988	90.8	99.0	99.9
February 1988	91.6	98.1	100.8
March 1988	94.6	103.7	104.6
April 1988	91.2	99.1	99.6
May 1988	94.8	106.6	108.3
June 1988	94.7	102.3	102.7
July 1988	93.4	100.5	103.9
August 1988	97.4	105.1	104.2
September 1988	97.3	102.8	105.4
October 1988	94.1	103.0	103.7
November 1988	93.0	102.0	101.0
December 1988	91.9	97.0	99.5
January 1989	97.9	108.4	106.8
February 1989	95.4	104.6	109.6
March 1989	94.3	98.6	100.0
April 1989	91.5	99.1	99.8
May 1989	90.7	100.6	100.3
June 1989	90.6	95.2	95.4
July 1989	92.0	103.2	101.9
August 1989	89.6	93.5	93.1
September 1989	95.8	104.1	103.0
October 1989	93.9	100.2	103.6
November 1989	90.9	99.4	100.5
December 1989	90.5	100.0	104.1

CHART 2A - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

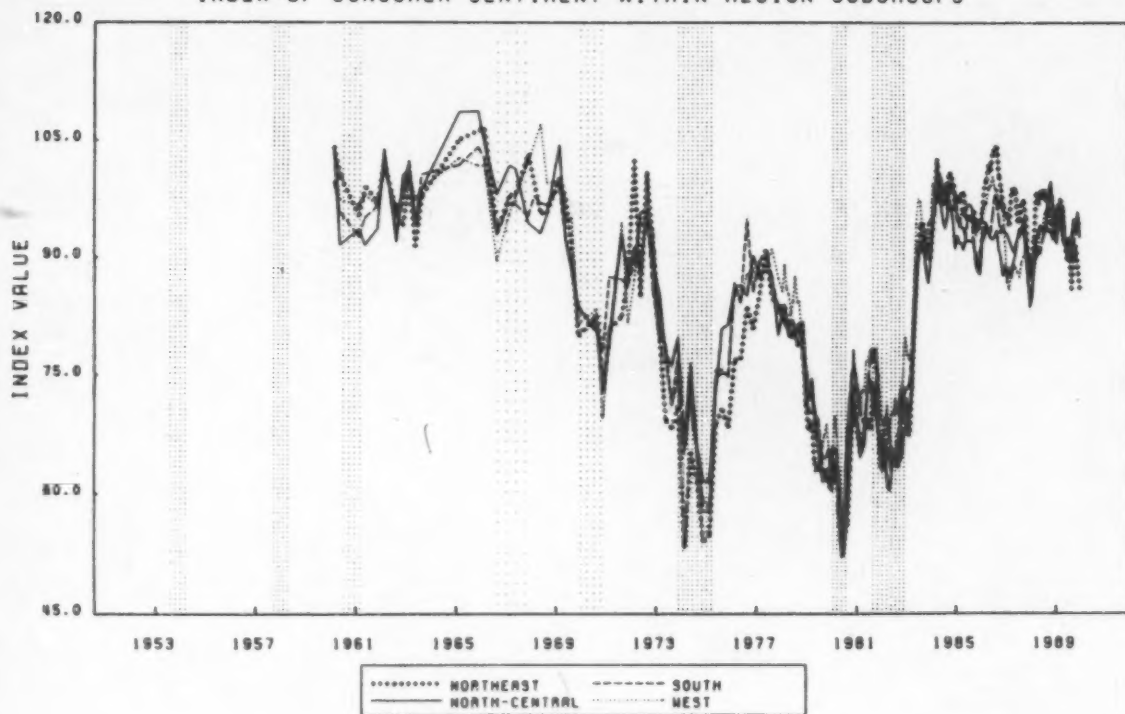


CHART 2B - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

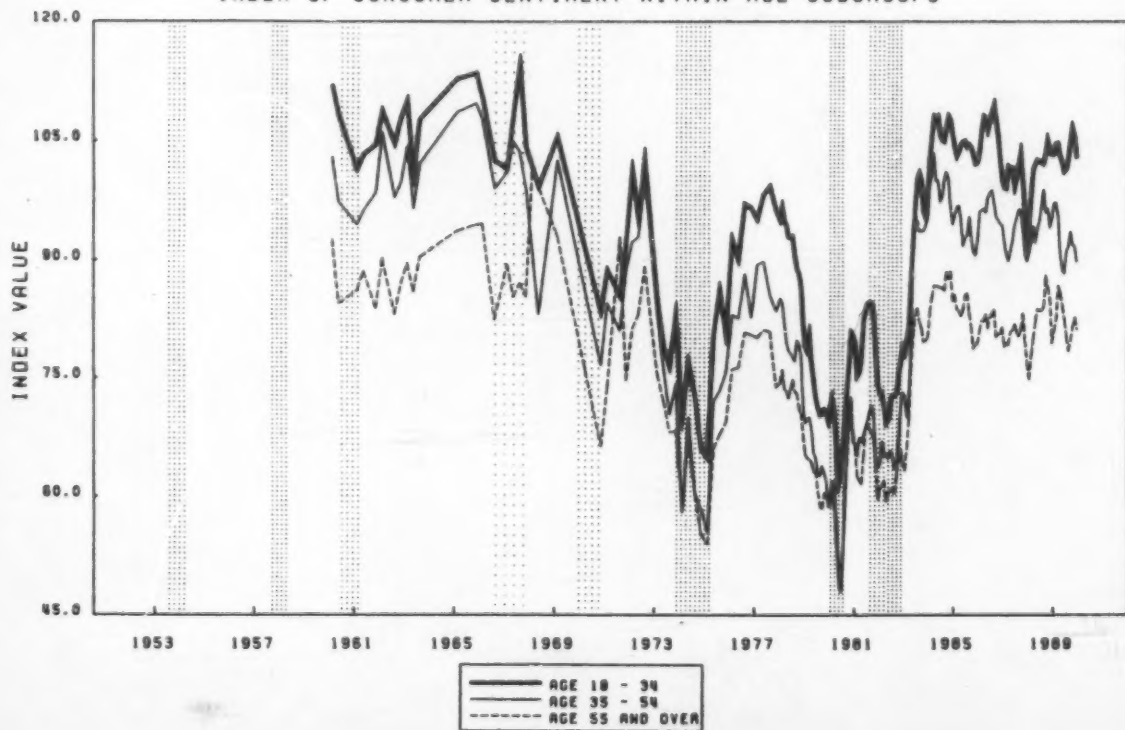


TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY	CENSUS REGION				AGE OF RESPONDENT		
	North East	North Central	South	West	18-34	35-54	55+
December 1986	91.8	90.4	89.5	84.0	98.0	91.3	78.3
January 1987	98.1	85.9	96.0	83.9	99.9	91.2	78.4
February 1987	92.4	89.5	90.7	89.2	99.1	89.2	81.5
March 1987	104.6	86.3	87.5	91.2	106.4	89.3	77.7
April 1987	99.4	91.7	93.7	87.2	99.0	95.1	83.5
May 1987	91.3	92.9	92.1	87.1	99.5	92.8	82.1
June 1987	92.5	92.2	91.5	89.7	99.0	95.5	80.0
July 1987	100.1	95.7	93.8	85.2	103.0	97.8	80.2
August 1987	99.0	91.0	95.2	93.2	103.3	95.8	80.8
September 1987	92.2	94.7	94.9	91.5	104.1	95.4	82.6
October 1987	93.8	87.2	88.3	89.1	92.0	89.9	86.2
November 1987	83.9	79.6	87.9	79.4	91.7	86.6	70.8
December 1987	83.4	83.6	90.4	89.2	94.1	92.9	73.6
January 1988	99.8	91.3	87.6	88.5	98.3	93.6	80.1
February 1988	93.7	92.1	92.8	86.3	102.5	90.3	79.9
March 1988	101.2	92.9	91.6	95.3	103.5	98.9	80.0
April 1988	94.9	93.9	88.6	89.0	100.0	87.5	86.6
May 1988	99.1	95.5	91.1	97.3	104.2	95.4	84.7
June 1988	98.1	91.2	95.9	95.2	103.1	102.0	79.5
July 1988	98.3	92.0	91.8	94.0	99.6	93.0	86.6
August 1988	95.7	100.9	94.4	98.5	103.6	101.7	86.3
September 1988	95.2	101.9	93.3	97.6	106.1	93.3	91.4
October 1988	91.8	96.1	92.9	96.6	105.8	94.6	82.0
November 1988	95.8	90.6	90.5	98.9	100.4	94.3	82.2
December 1988	90.8	90.2	96.1	88.0	103.7	97.1	73.9
January 1989	96.9	94.2	99.9	102.2	105.8	100.3	86.7
February 1989	103.5	99.2	88.8	93.6	104.3	94.2	86.7
March 1989	91.5	95.8	96.1	92.2	103.9	91.8	87.0
April 1989	83.9	94.6	93.4	90.3	101.0	87.5	83.8
May 1989	99.9	86.7	87.3	94.3	102.2	86.9	81.9
June 1989	84.7	91.2	94.4	89.8	100.0	90.4	81.1
July 1989	87.2	91.9	95.6	91.8	101.9	95.8	78.0
August 1989	85.2	93.6	85.0	95.7	105.7	88.9	76.1
September 1989	97.1	98.8	94.0	92.7	107.1	96.2	84.9
October 1989	92.1	89.6	99.5	92.6	107.3	90.5	83.9
November 1989	77.5	98.7	87.2	99.4	102.2	88.6	79.3
December 1989	87.1	89.2	93.5	90.7	99.3	90.3	80.4

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

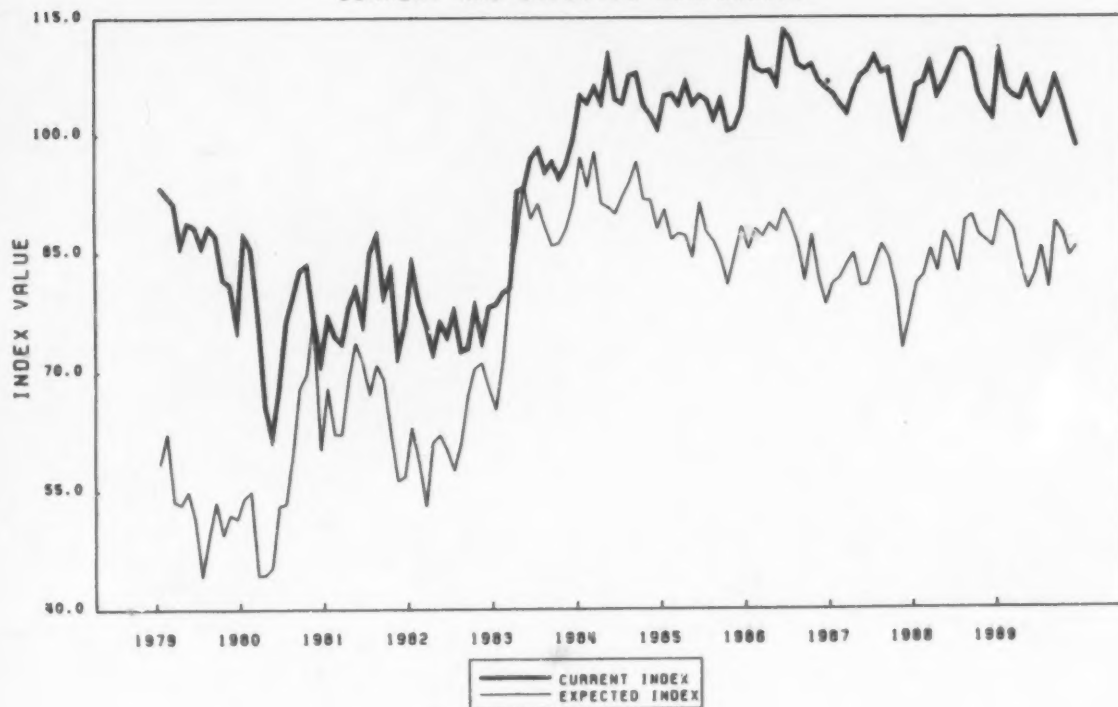


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

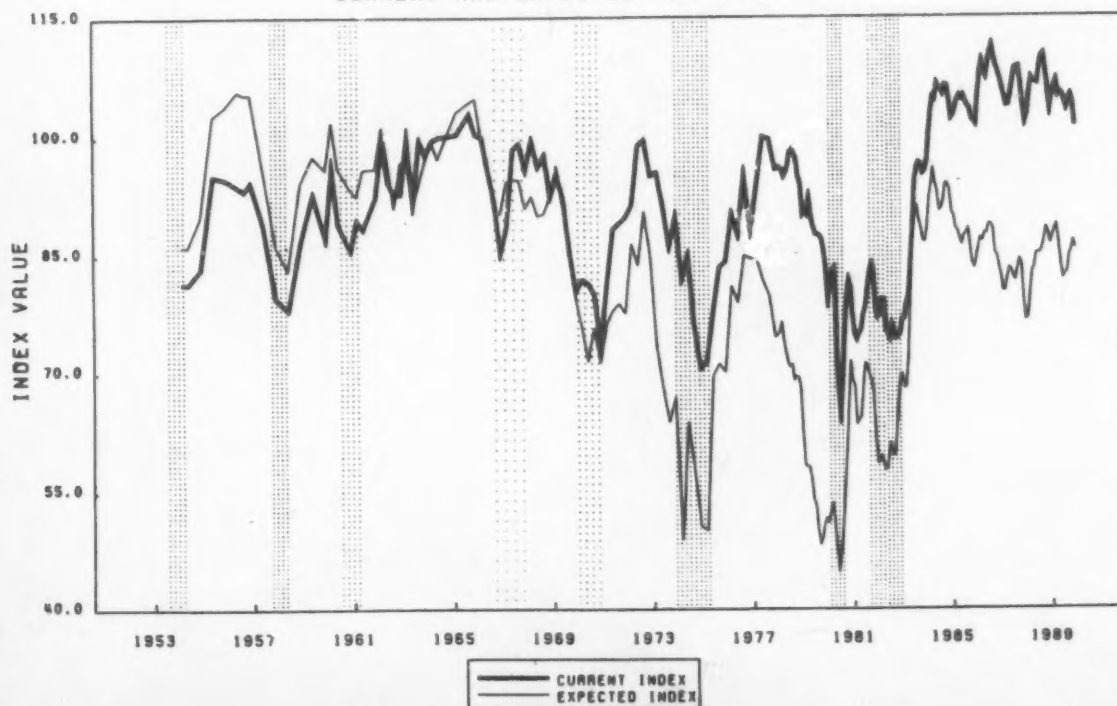


TABLE 3
COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	INDEX COMPONENTS +						
	Personal finances		Business conditions		Buying conds.	Current Index	Expected Index
	Current	Expected	12 months	5 years			
	(1)	(2)	(3)	(4)	(5)	(1,5)	(2,3,4)
December 1986	116	127	104	83	158	105.8	78.3
January 1987	120	130	117	77	152	105.1	80.9
February 1987	115	126	117	84	153	103.7	81.6
March 1987	114	122	121	92	152	102.5	83.3
April 1987	116	127	116	97	158	105.5	84.7
May 1987	117	121	114	89	161	107.4	80.6
June 1987	120	122	113	89	161	108.1	80.8
July 1987	123	123	118	94	162	109.9	83.3
August 1987	122	127	125	93	157	107.8	85.8
September 1987	119	124	122	92	162	108.3	84.2
October 1987	118	128	105	90	149	103.1	80.4
November 1987	115	118	93	80	142	99.3	72.7
December 1987	119	120	98	89	147	102.7	76.7
January 1988	122	131	110	84	154	106.2	80.9
February 1988	122	130	108	90	155	106.6	81.9
March 1988	127	133	114	96	156	109.1	85.2
April 1988	117	125	117	89	154	104.8	82.4
May 1988	111	127	125	98	165	106.5	87.3
June 1988	119	129	121	95	163	108.6	85.7
July 1988	120	128	106	96	167	110.7	82.3
August 1988	127	127	125	105	160	110.8	88.8
September 1988	127	133	125	102	157	109.4	89.5
October 1988	114	124	129	97	158	105.0	87.0
November 1988	112	128	122	97	156	103.3	86.3
December 1988	114	127	119	98	150	102.0	85.5
January 1989	121	131	128	103	165	110.3	89.9
February 1989	120	130	128	99	154	105.7	88.8
March 1989	116	131	123	98	156	104.8	87.6
April 1989	113	130	113	91	158	104.4	83.2
May 1989	121	125	107	89	157	107.1	80.1
June 1989	115	123	115	90	155	104.1	82.0
July 1989	112	123	124	96	152	102.1	85.5
August 1989	114	126	109	88	156	103.9	80.3
September 1989	117	129	127	101	161	107.1	88.6
October 1989	114	134	124	93	156	104.4	87.2
November 1989	116	130	116	92	146	101.2	84.3
December 1989	115	129	115	99	140	98.2	85.5

(1) See Table 4.

(2) See Table 6.

(3) See Table 15.

(4) See Table 16.

(5) See Table 21.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

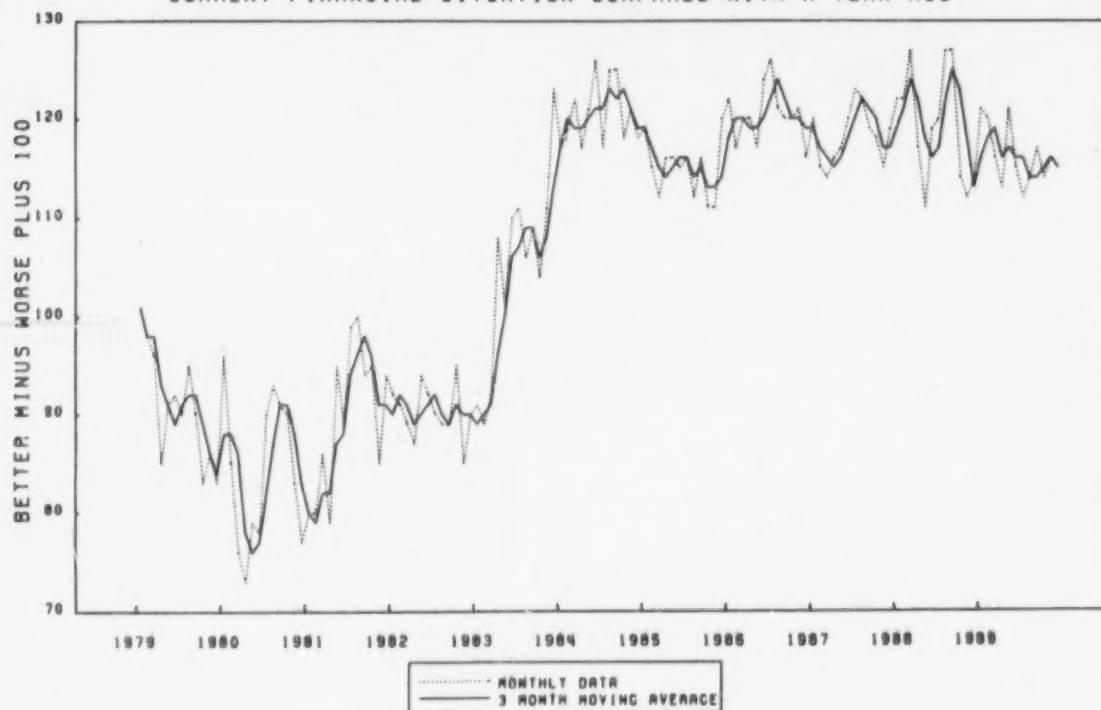


CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

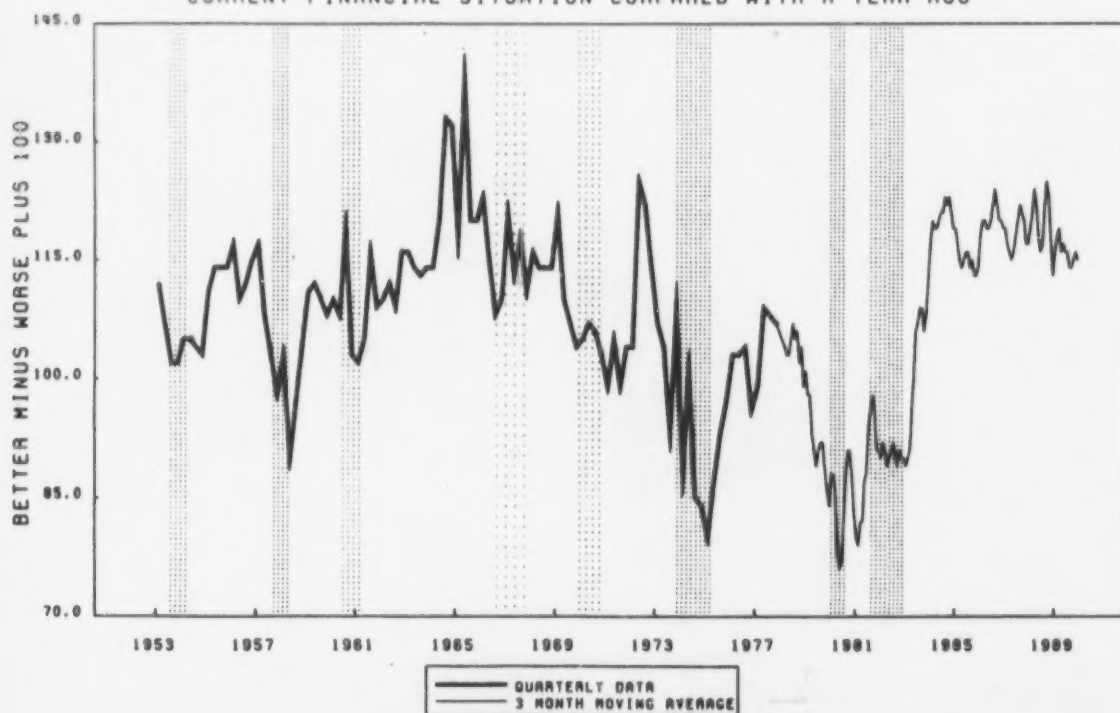


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989
BETTER OFF	39%	44%	44%	42%	42%	45%	38%	41%	41%	42%	42%	42%	41%
SAME	36	33	31	32	29	31	38	30	32	32	30	32	32
WORSE OFF	25	23	24	26	29	24	23	29	27	25	28	26	26
DK,NA	*	*	1	*	*	*	1	*	*	1	*	*	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	500	502	500	503	507	501	502	506	500	502	500

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

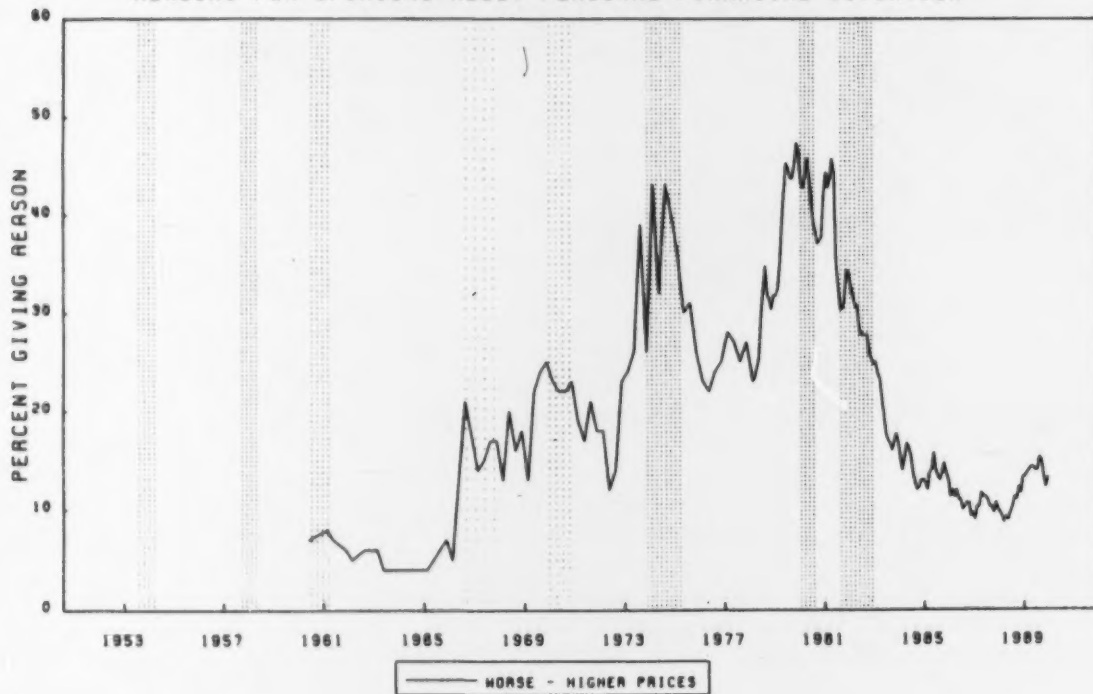


CHART 5B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

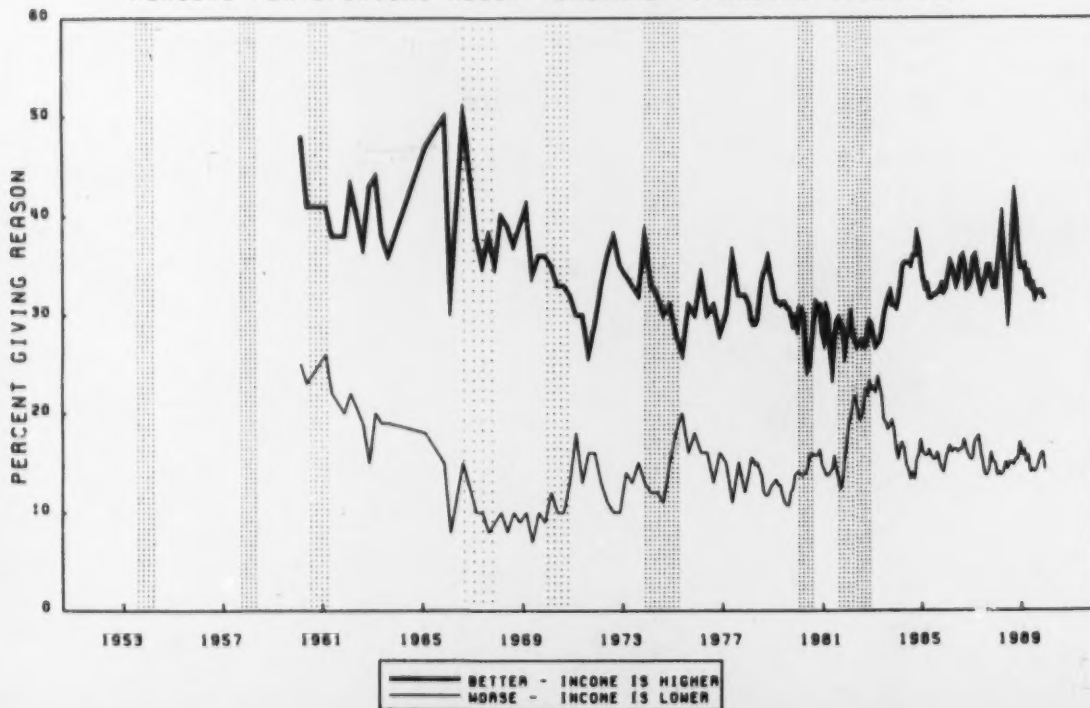


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989
BETTER OFF THAN YEAR AGO:													
Income is higher	35%	34%	36%	30%	36%	32%	31%	32%	34%	31%	32%	32%	31%
WORSE OFF THAN YEAR AGO:													
Income is lower	17	14	18	13	16	13	14	15	14	16	17	15	11
Higher prices	14	15	12	15	16	12	14	16	16	13	11	13	16

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

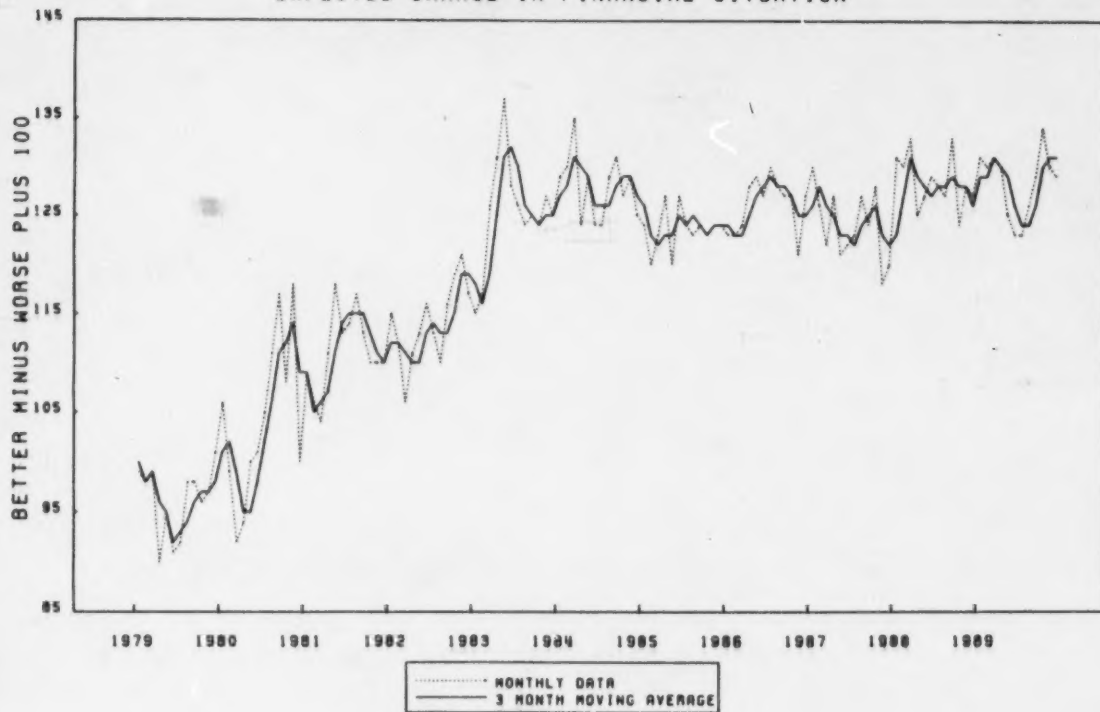


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

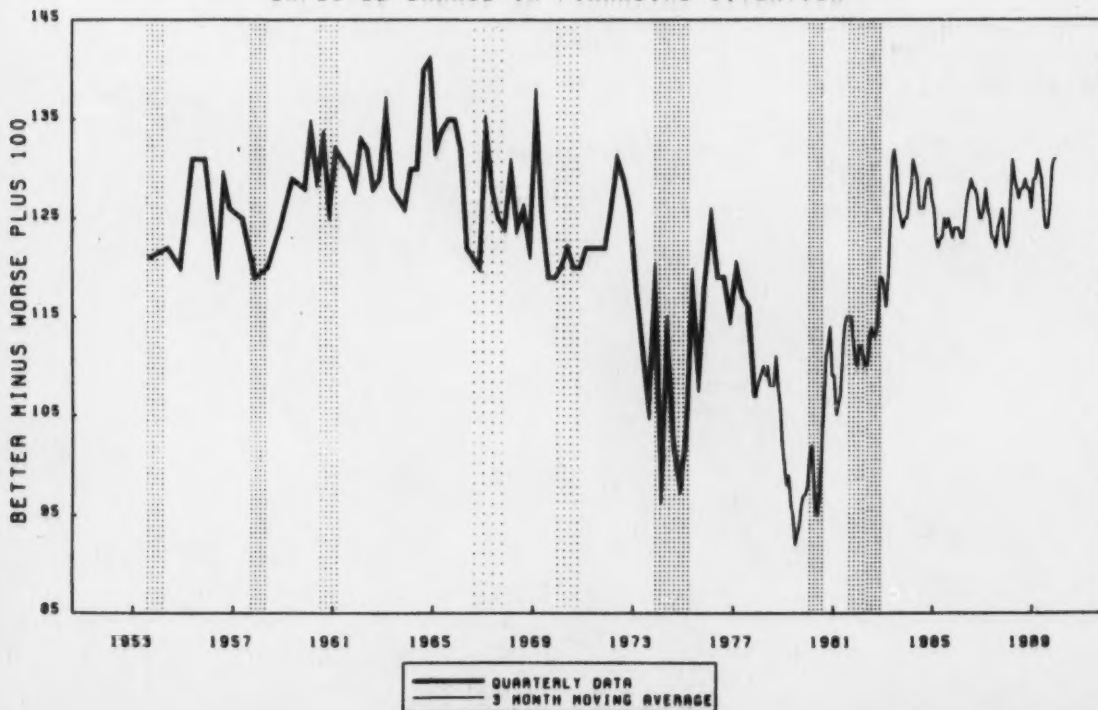


TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989
BETTER OFF	39%	41%	40%	40%	41%	39%	34%	35%	37%	38%	41%	40%	37%
SAME	46	47	46	49	46	45	52	50	49	49	47	48	50
WORSE OFF	12	10	10	9	11	14	11	12	11	9	7	10	8
DK,NA	3	2	4	2	2	2	3	3	3	4	5	2	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	500	502	500	503	507	501	502	506	500	502	500

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially. or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

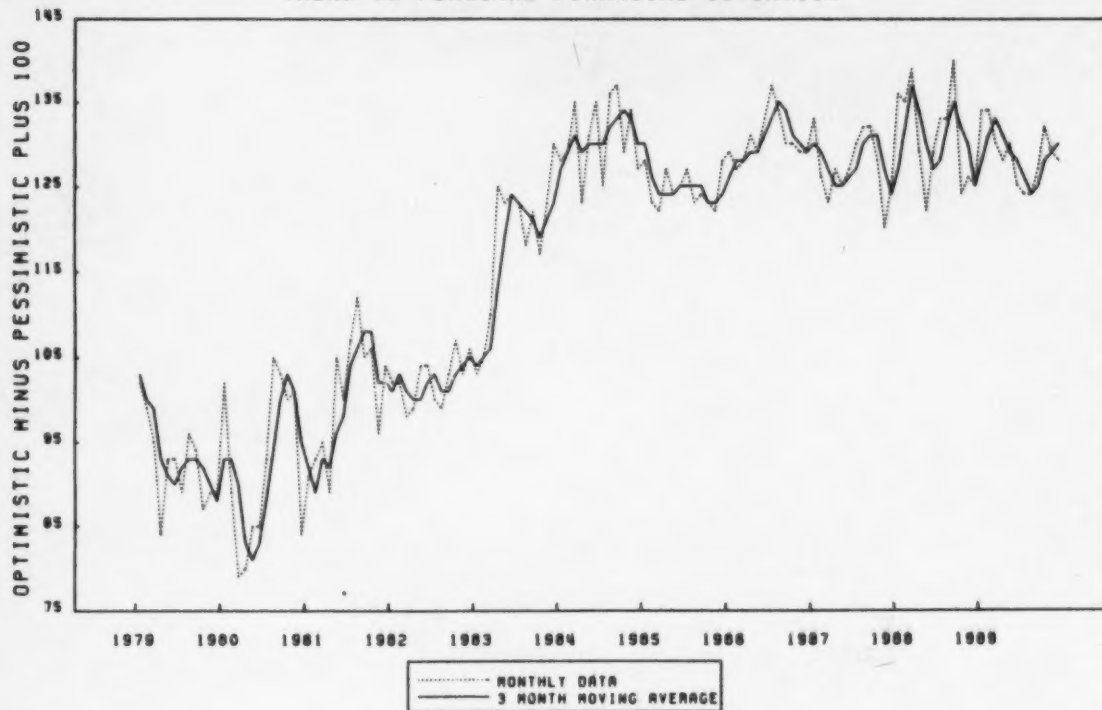


CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

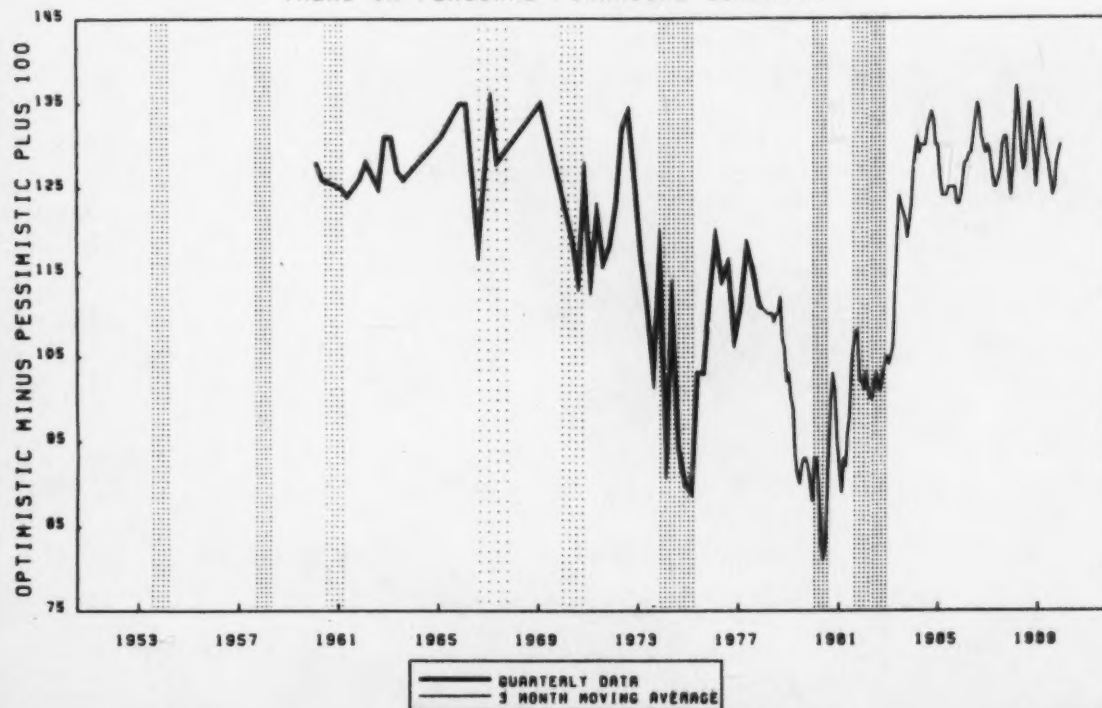


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	22%	23%	22%	20%	21%	21%	16%	19%	20%	24%	22%	21%	19%
Intermittant increase (b)	23	29	29	29	27	31	28	28	25	24	27	26	28
Remain unchanged (c)	20	18	17	18	17	14	22	18	20	19	17	20	18
Intermittant decline (d)	16	13	12	15	13	18	15	15	16	17	12	14	16
Continuous decline (e)	4	5	5	4	7	4	4	8	5	4	5	4	3
Mixed change (f)	11	10	11	12	13	9	11	9	10	8	11	13	11
DK,NA	4	2	4	2	2	3	4	3	4	4	6	2	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	500	502	500	503	507	501	502	506	500	502	500

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
 (b) Better/Same or Same/Better
 (c) Same/Same
 (d) Worse/Same or Same/Worse
 (e) Worse/Worse
 (f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
 MEDIAN EXPECTED CHANGE IN FAMILY INCOME

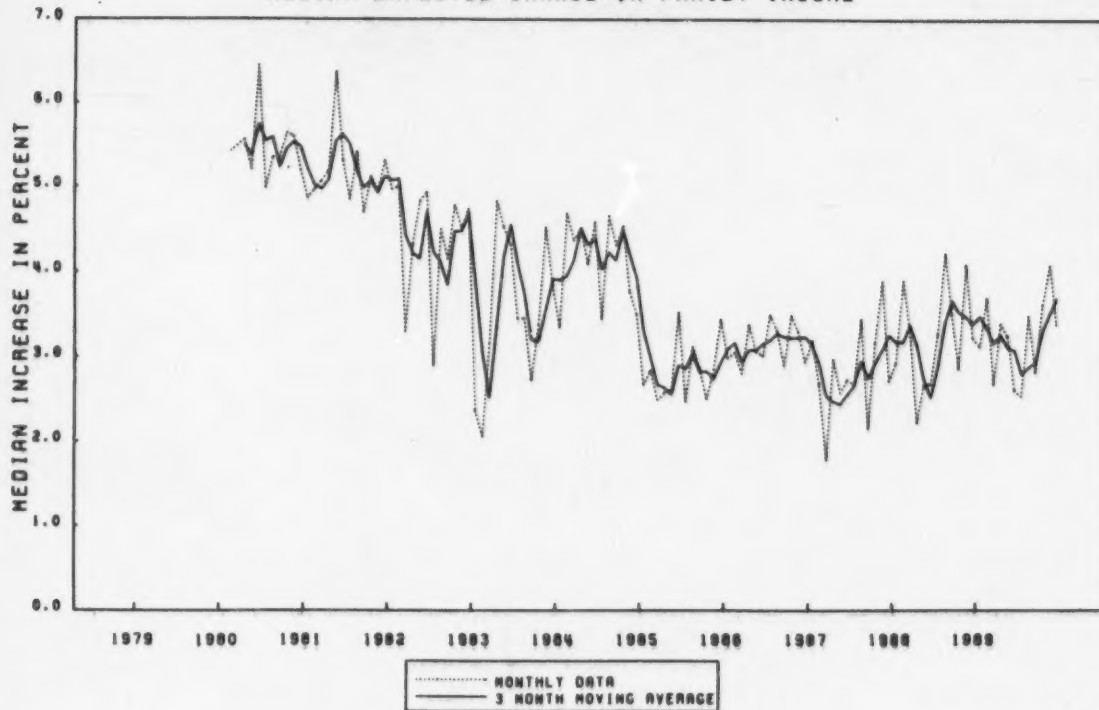


CHART 8 - HISTORICAL SERIES
 MEDIAN EXPECTED CHANGE IN FAMILY INCOME

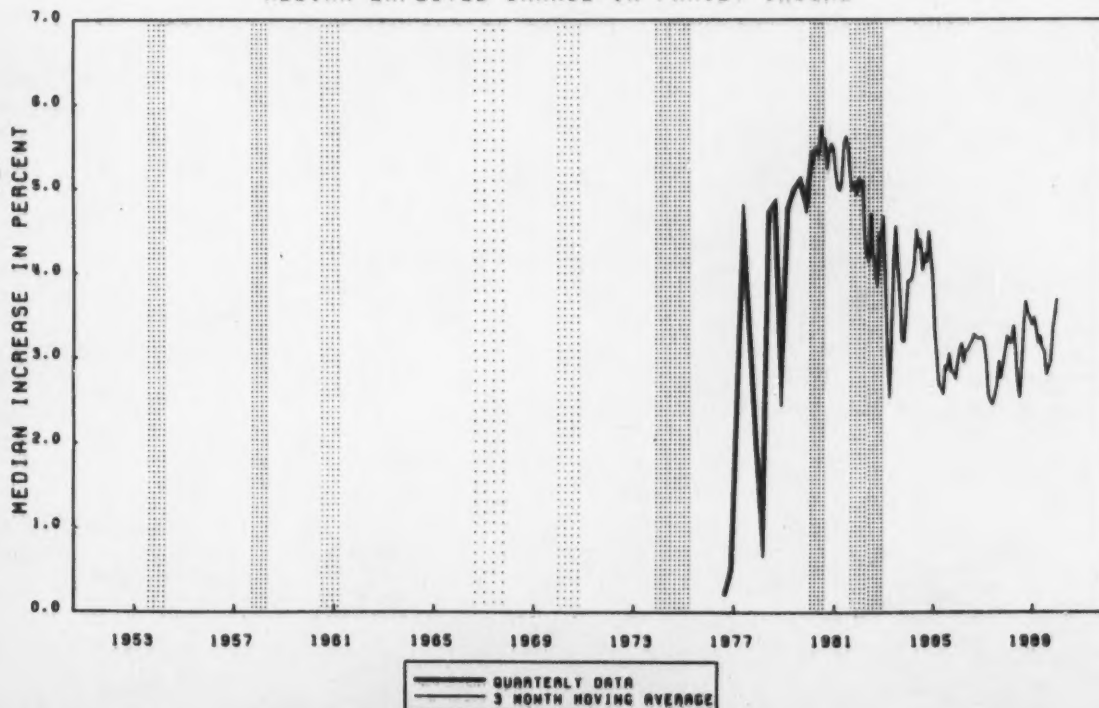


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989
EXPECT INCREASE:													
1-4%	21%	15%	17%	16%	17%	16%	18%	15%	15%	16%	15%	23%	16%
5%	11	9	15	10	12	9	11	9	13	10	12	13	12
6-9%	7	10	7	7	7	7	6	6	8	7	7	7	8
10-24%	15	14	15	14	15	17	14	16	17	15	14	16	13
25% or more	6	8	7	7	7	8	6	6	6	5	9	7	7
DK how much up	4	4	5	5	5	4	5	6	3	5	4	6	5
EXPECT SAME	22	27	22	27	23	26	27	31	26	25	25	19	26
EXPECT DOWN	13	13	11	14	12	12	12	10	12	15	12	9	12
DK,NA	1	*	1	*	2	1	1	1	*	2	2	*	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	500	502	500	503	507	501	502	506	500	502	500

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

* : Less than half of one percent.

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

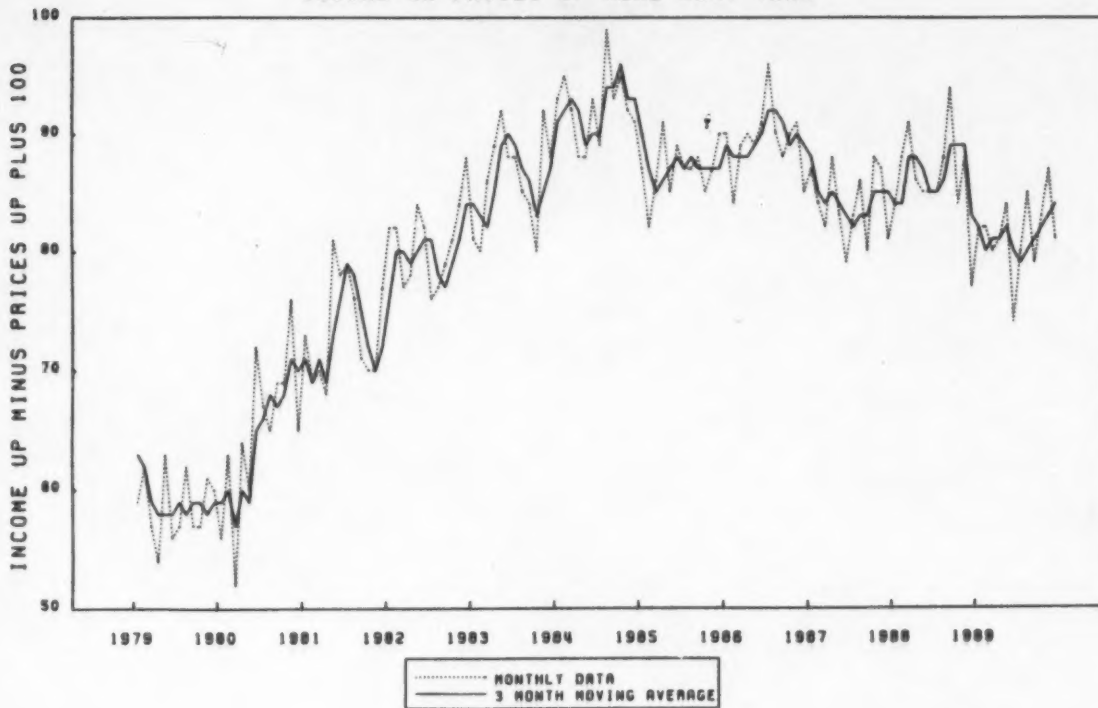


CHART 9 - HISTORICAL SERIES
INCOME OR PRICES UP MORE NEXT YEAR

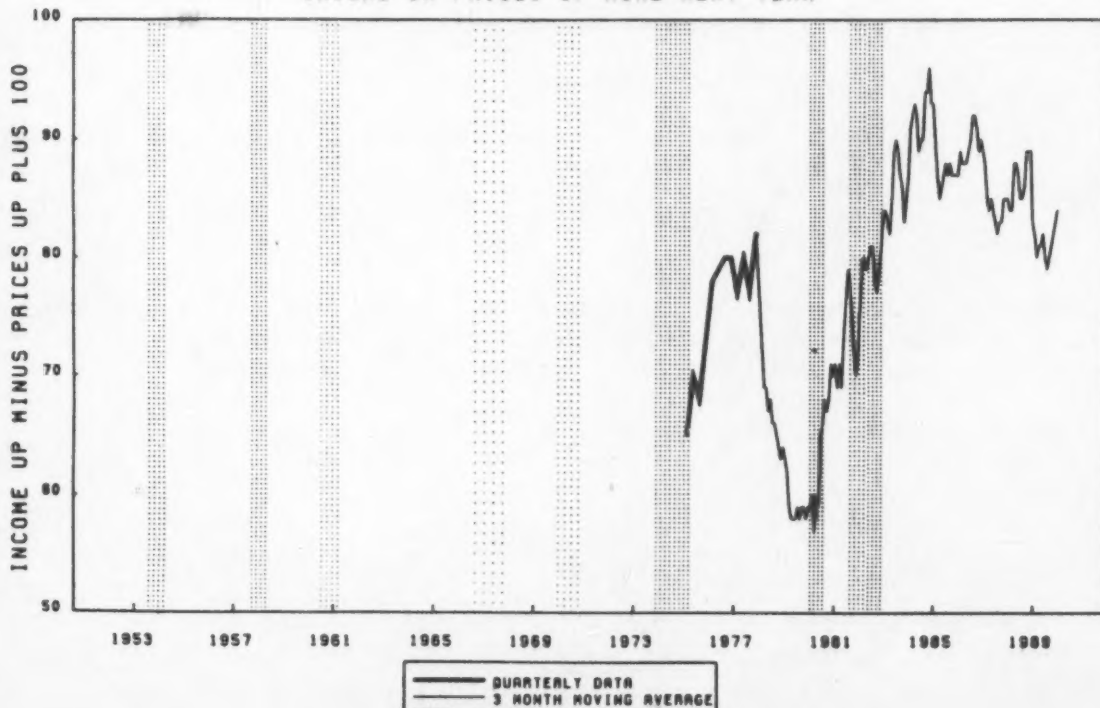


TABLE 9

EXPECTED CHANGE IN REAL FAMILY INCOME

	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989
INCOME UP MORE	17%	19%	18%	17%	18%	22%	16%	19%	21%	19%	20%	22%	21%
INCOME UP SAME	41	41	43	44	43	37	39	40	39	39	41	42	36
PRICES UP MORE	40	37	36	37	37	38	42	39	36	40	37	35	40
DK.NA	2	3	3	2	2	3	3	2	4	2	2	1	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	500	502	500	503	507	501	502	506	500	502	500

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 10 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

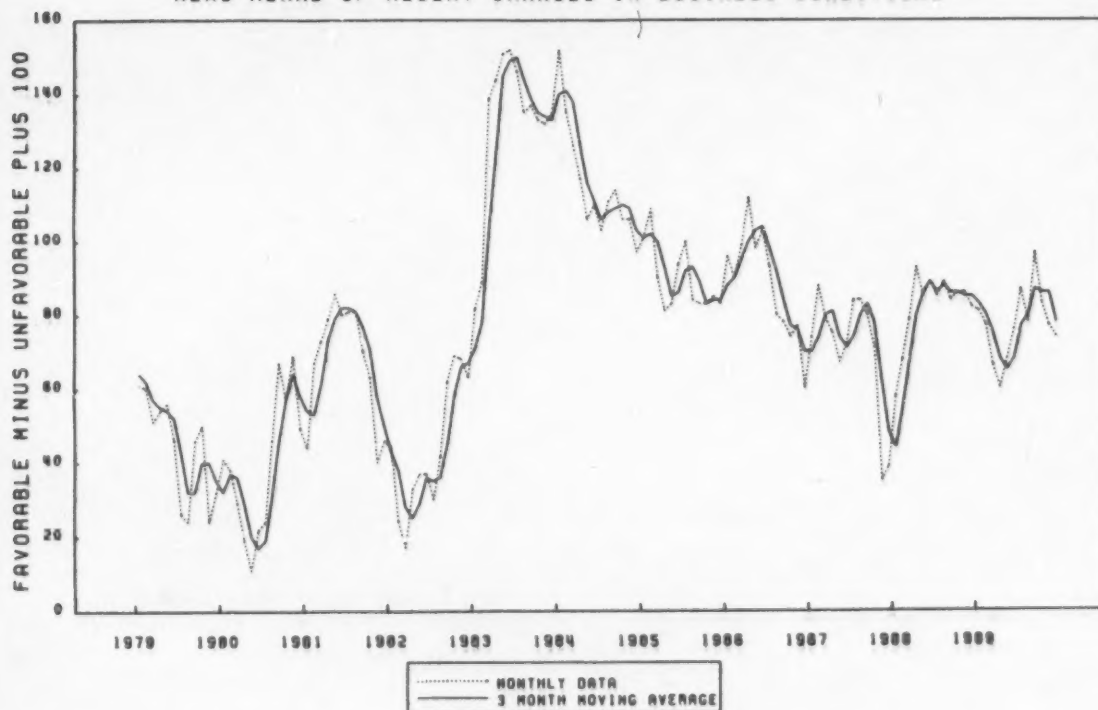


CHART 10 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

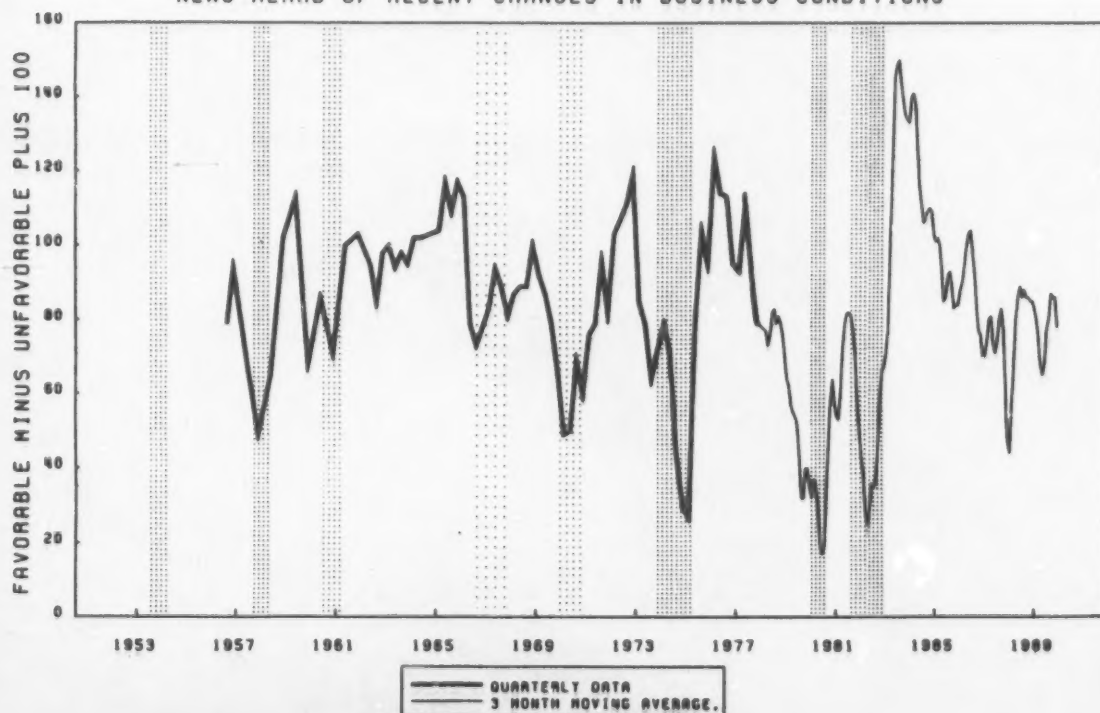


TABLE 10
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept. 1989	Oct. 1989	Nov. 1989	Dec. 1989
FAVORABLE NEWS	30%	24%	27%	22%	18%	22%	23%	28%	23%	29%	24%	22%	24%
UNFAVORABLE NEWS	48	43	50	56	58	54	47	41	45	32	41	45	50
NO MENTIONS	50	55	48	49	48	48	53	50	53	56	52	52	50

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 11A - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

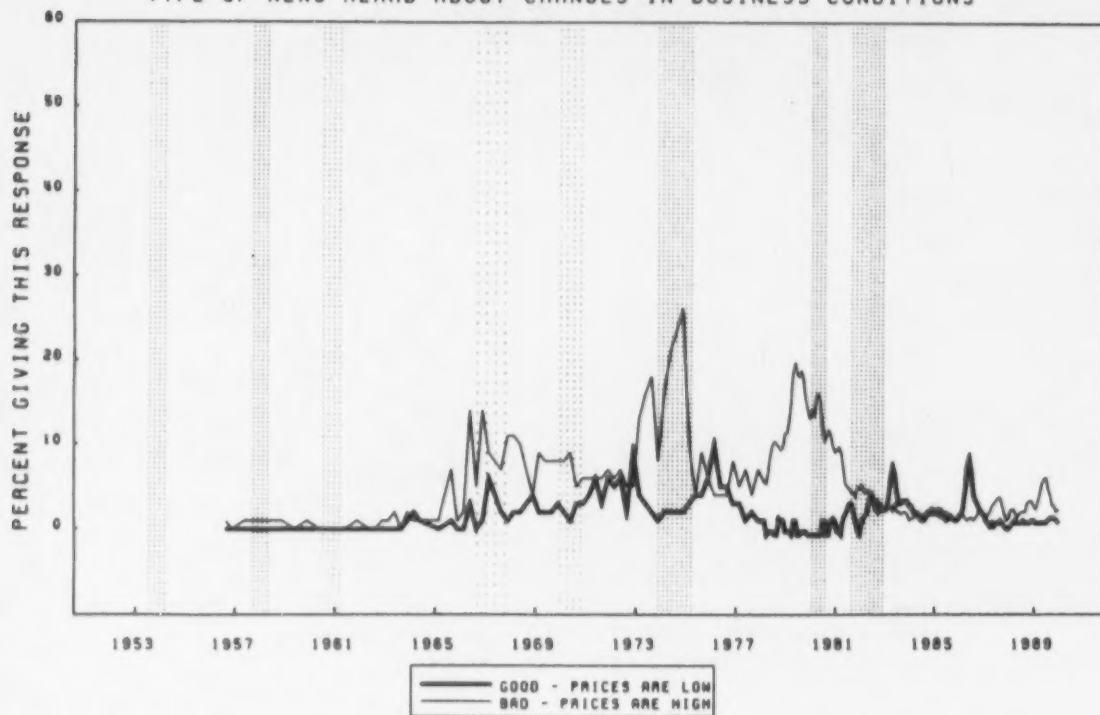


CHART 11B - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

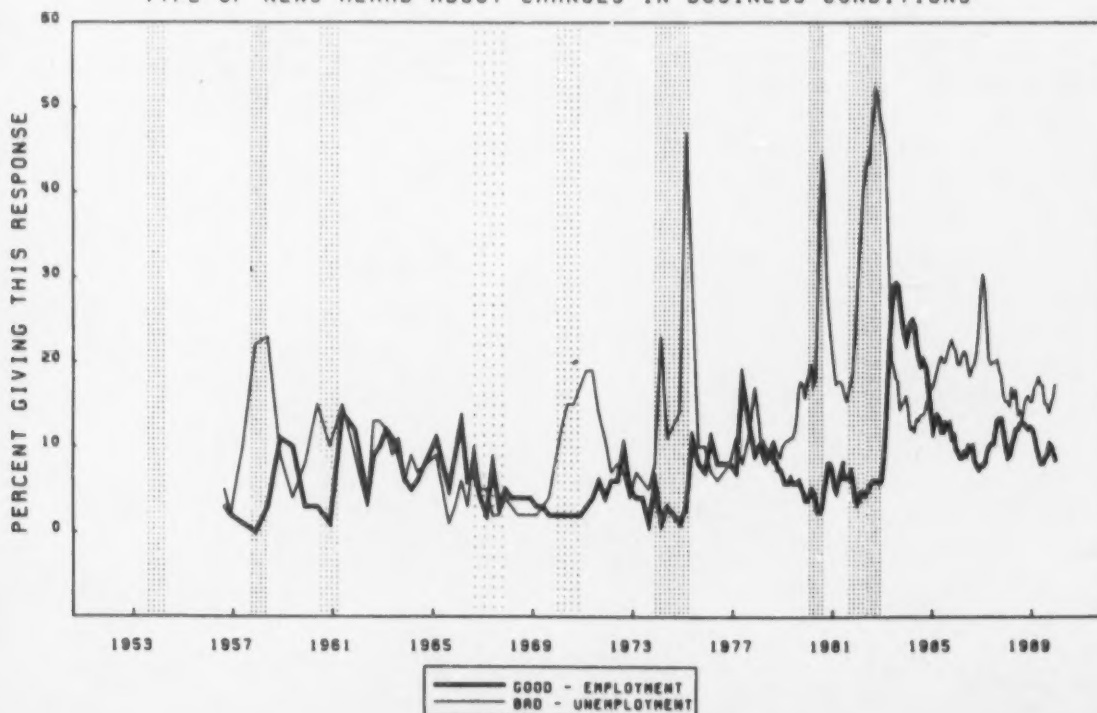


TABLE 11
SELECTED ITEMS OF
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989
FAVORABLE NEWS:													
Government; elections	4%	2%	5%	3%	1%	1%	1%	*	2%	2%	1%	1%	3%
Employment	12	11	10	8	8	8	8	10	9	12	9	7	9
Higher consumer demand	2	2	1	1	3	2	1	2	1	1	1	2	2
Lower prices	1	*	1	1	*	1	1	1	2	1	1	1	*
Easier credit	1	1	1	1	*	1	4	6	5	4	3	3	1
Stock market	1	2	1	1	1	2	2	2	1	3	2	2	2
Trade deficit	1	1	1	1	1	1	*	1	1	1	1	1	3
UNFAVORABLE NEWS:													
Government; elections	7	7	7	5	4	4	4	5	3	4	2	3	5
Unemployment	16	17	18	17	20	15	17	13	15	14	16	17	19
Lower consumer demand	2	2	4	3	2	4	3	3	3	2	2	5	6
Higher prices	3	2	4	6	6	6	6	2	4	2	2	2	3
Tighter credit	6	4	5	10	12	10	5	3	2	1	1	1	2
Stock market	4	1	1	2	2	2	1	1	1	1	7	6	2
Trade deficit	2	2	3	3	3	2	3	5	3	2	2	2	5

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 12 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

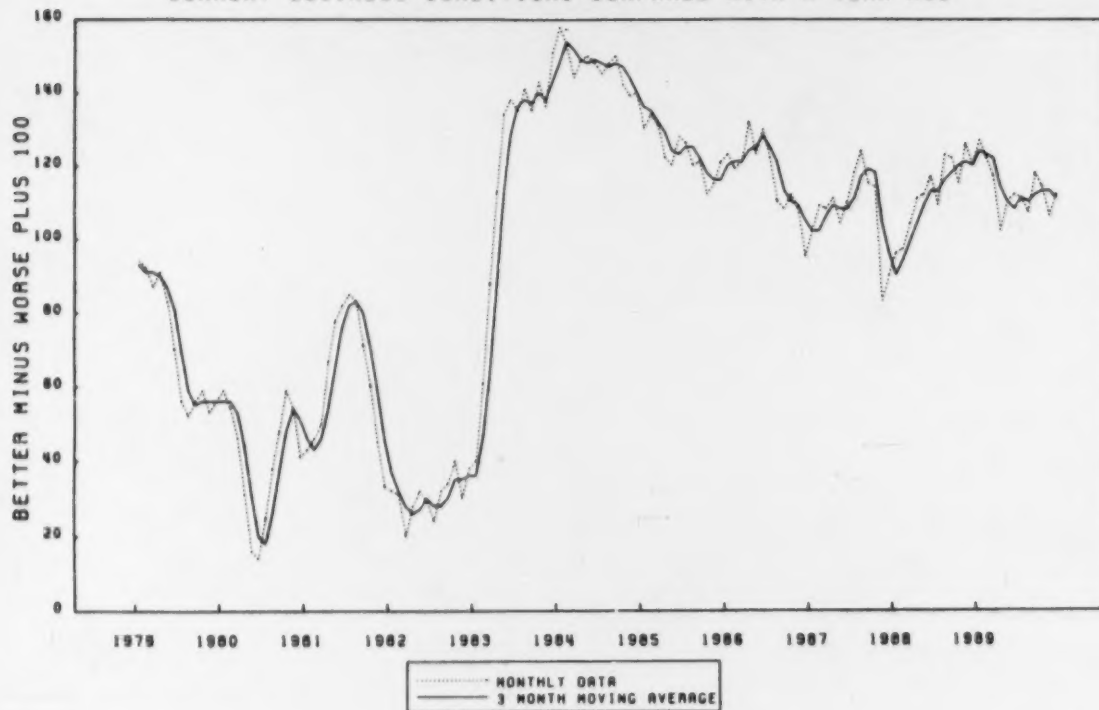


CHART 12 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

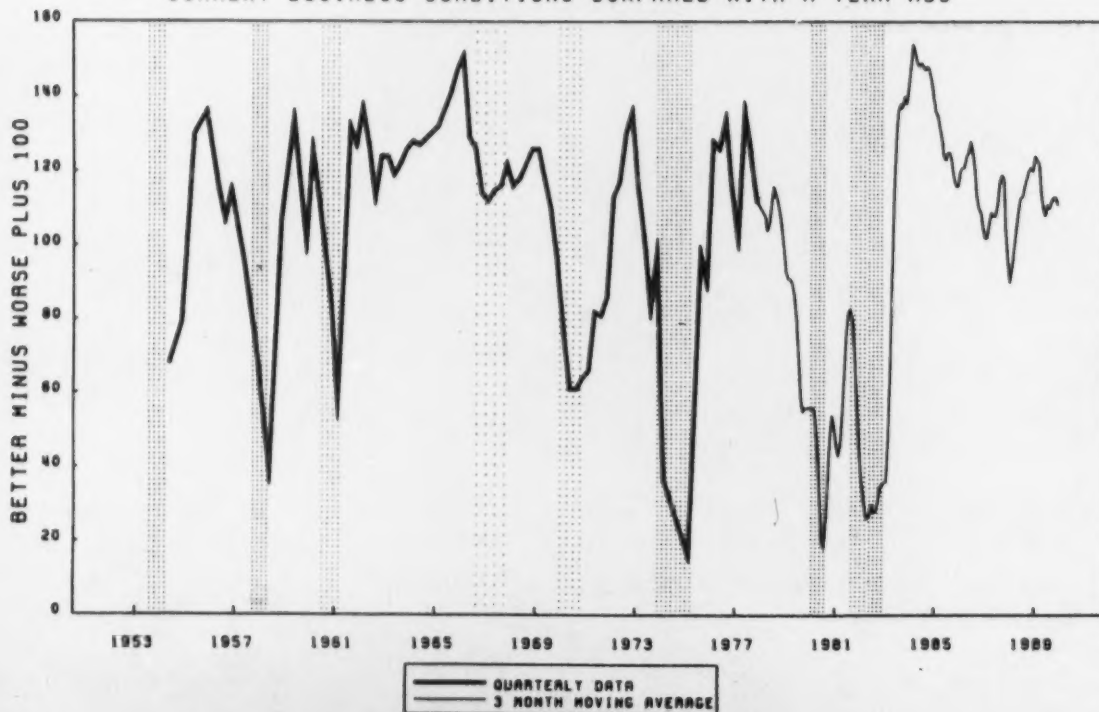


TABLE 12

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989
BETTER NOW	49%	53%	48%	47%	41%	44%	45%	43%	42%	48%	47%	42%	45%
SAME	20	19	22	22	18	19	18	22	21	19	19	19	19
WORSE NOW	29	26	26	30	39	34	33	32	35	30	33	36	33
DK, NA	2	2	4	1	2	3	4	3	2	3	1	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	500	502	500	503	507	501	502	506	500	502	500

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 13 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR



CHART 13 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

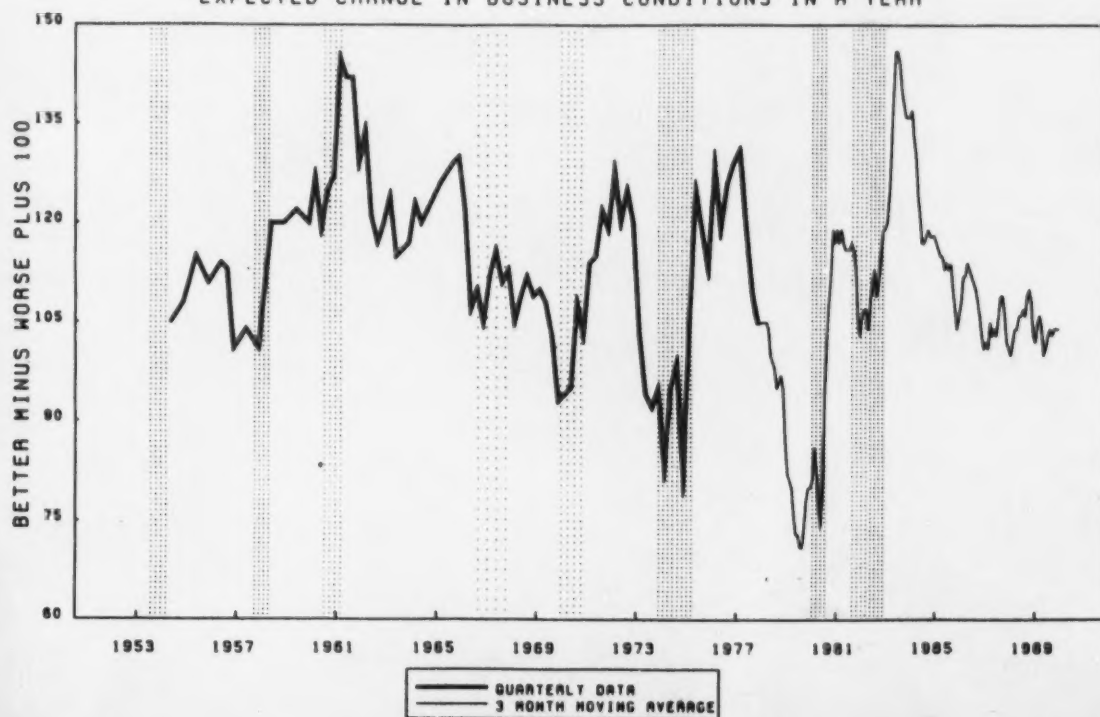


TABLE 13

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989
BETTER	19%	23%	26%	22%	20%	19%	24%	20%	18%	21%	22%	18%	24%
SAME	59	56	54	59	57	56	57	63	60	59	61	61	55
WORSE	19	17	17	18	21	22	17	14	19	16	15	18	18
DK,NA	3	4	3	1	2	3	2	3	3	4	2	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	500	502	500	503	507	501	502	506	500	502	500

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

CHART 14 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

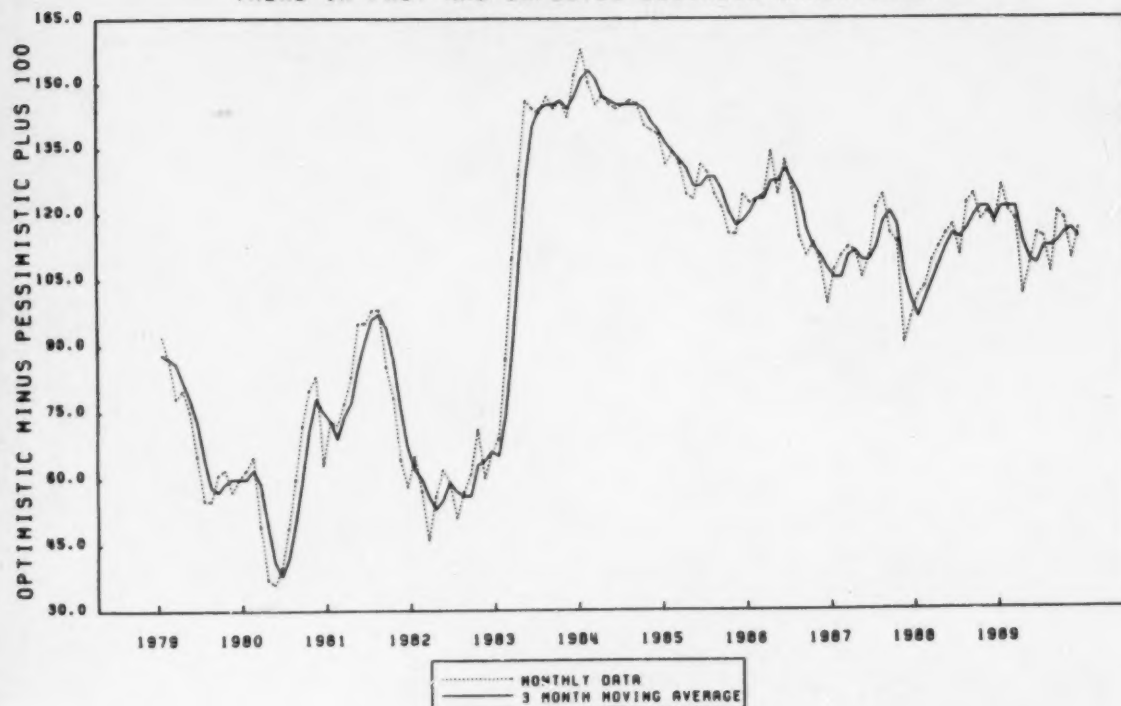


CHART 14 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

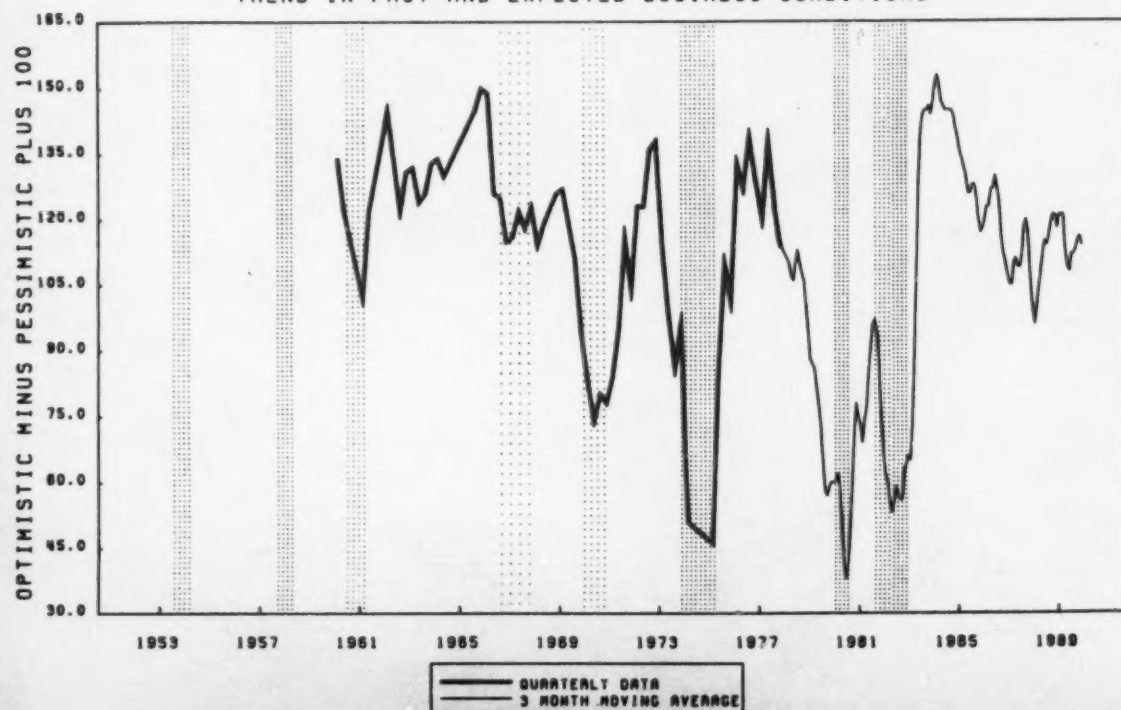


TABLE 14

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989
TREND													
Continuquus increase (a)	10%	16%	18%	12%	14%	13%	15%	14%	11%	14%	15%	10%	15%
Intermittant increase (b)	35	34	28	33	24	29	30	30	29	34	33	32	29
Remain unchanged (c)	12	11	13	16	13	12	12	16	14	12	13	13	13
Intermittant decline (d)	19	16	21	16	24	20	18	20	22	18	19	21	16
Continuous decline (e)	9	8	5	11	13	14	12	10	12	10	11	12	12
Mixed change (f)	10	9	10	9	8	7	6	4	7	6	5	6	10
DK,NA	5	6	5	3	4	5	7	6	5	6	4	6	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES													
	500	501	500	502	500	503	507	501	502	506	500	502	500

Combination of the responses to the questions on Tables 12 and 13.

- Key: (a) Better than a year ago/Better a year from now
 (b) Better/Same or Same/Better
 (c) Same/Same
 (d) Worse/Same or Same/Worse
 (e) Worse/Worse
 (f) Worse/Better or Better/Worse

CHART 15 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS



CHART 15 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

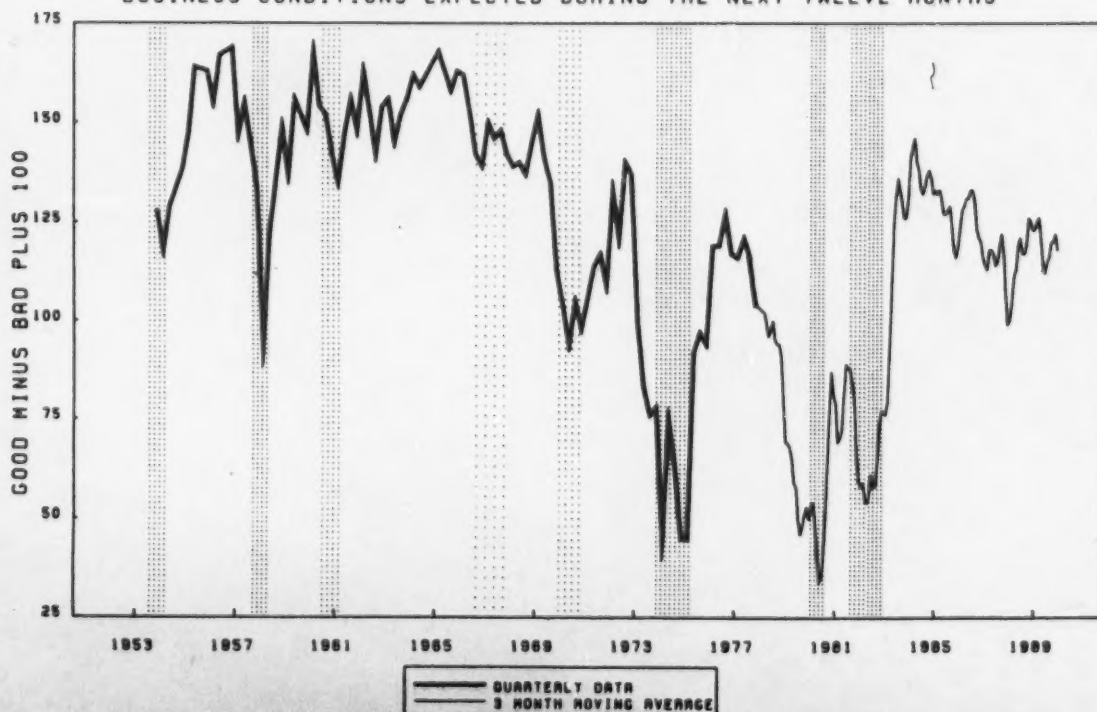


TABLE 15

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989
GOOD TIMES	52%	56%	56%	55%	49%	46%	48%	53%	46%	55%	53%	50%	49%
UNCERTAIN; GOOD & BAD	5	4	3	4	3	4	5	4	6	4	5	4	2
BAD TIMES	33	28	28	32	36	39	33	29	37	28	29	34	34
DON'T KNOW	5	7	9	5	6	6	9	7	4	6	8	7	7
NOT ASCERTAINED	5	5	4	4	6	5	5	7	7	7	5	5	8
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	500	502	500	503	507	501	502	506	500	502	500

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 16 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS



CHART 16 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

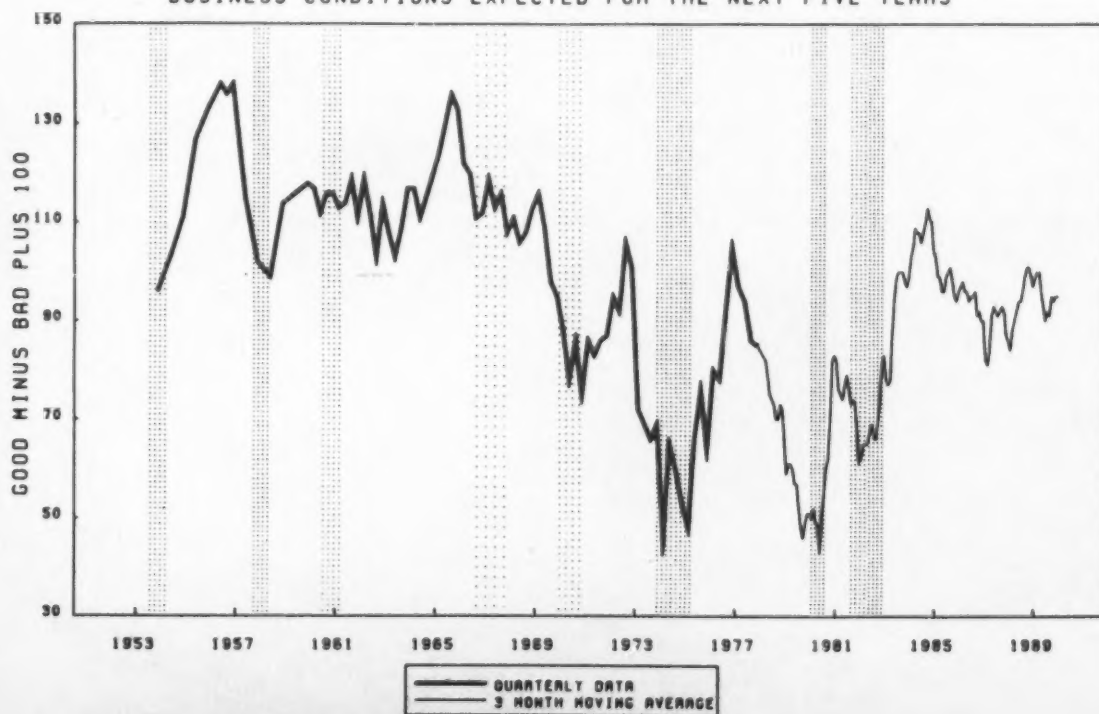


TABLE 16

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989
GOOD TIMES	41%	45%	41%	40%	37%	36%	37%	39%	33%	41%	36%	38%	39%
UNCERTAIN; GOOD & BAD	12	9	12	14	13	13	12	13	13	13	14	13	15
BAD TIMES	43	42	42	42	46	47	47	43	45	40	43	46	40
NOT ASCERTAINED	4	4	5	4	4	4	4	5	9	6	7	3	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	500	502	500	503	507	501	502	506	500	502	500

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 17 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

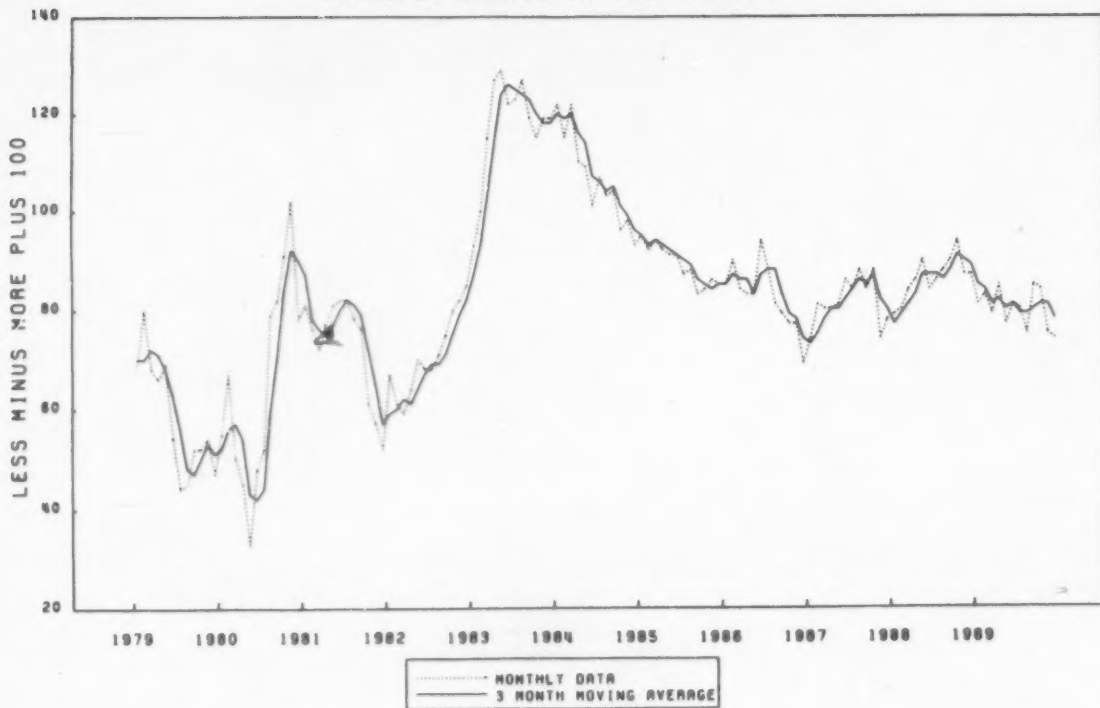


CHART 17 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

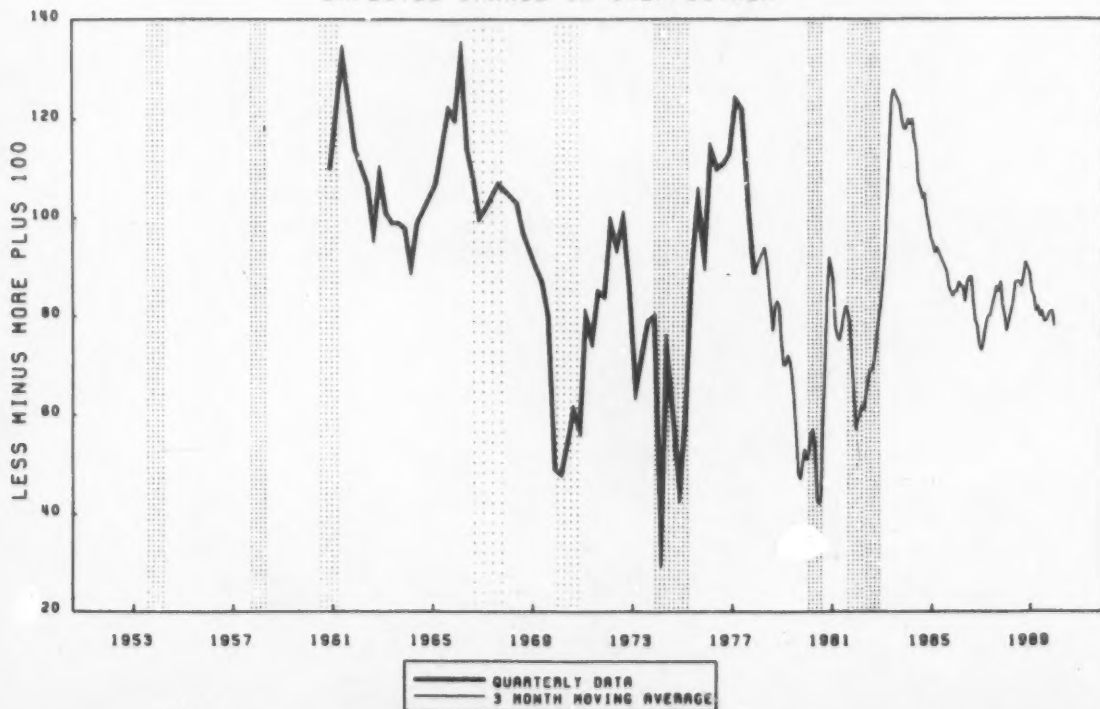


TABLE 17
EXPECTED CHANGE IN UNEMPLOYMENT

	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989
LESS	15%	15%	13%	12%	14%	12%	10%	11%	10%	11%	14%	10%	11%
SAME	55	50	55	53	55	52	59	57	54	61	55	54	51
MORE	28	34	30	33	29	35	29	31	35	26	30	35	37
DK,NA	2	1	2	2	2	1	2	1	1	2	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	500	502	500	503	507	501	502	506	500	502	500

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

CHART 18 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

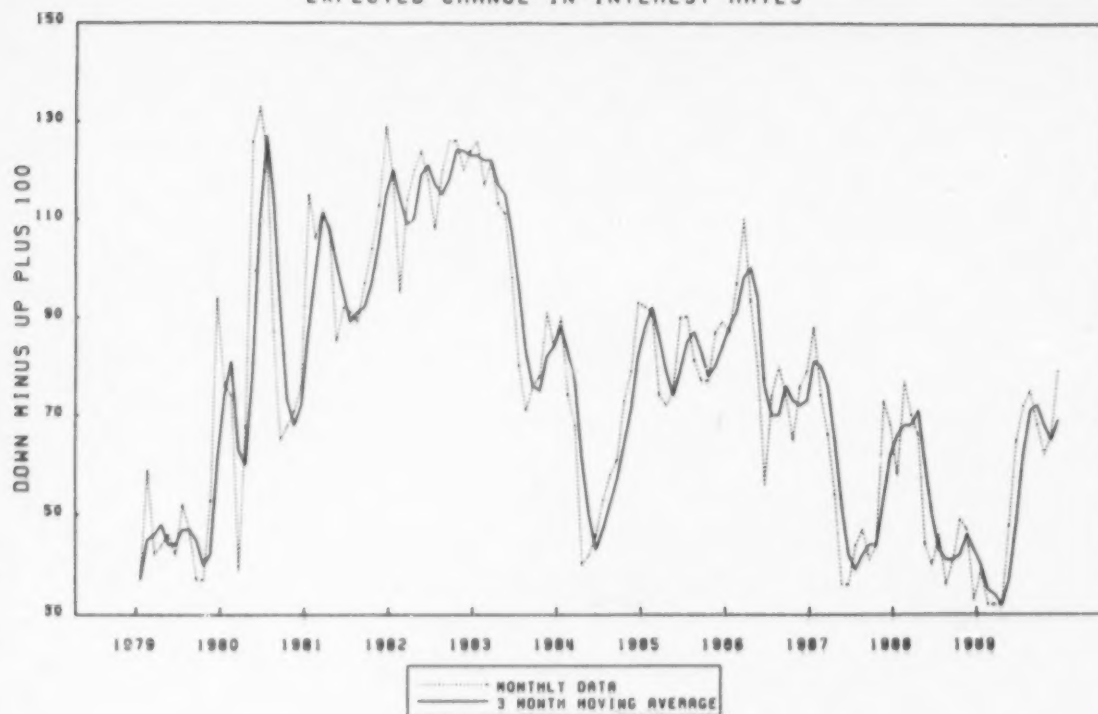


CHART 18 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

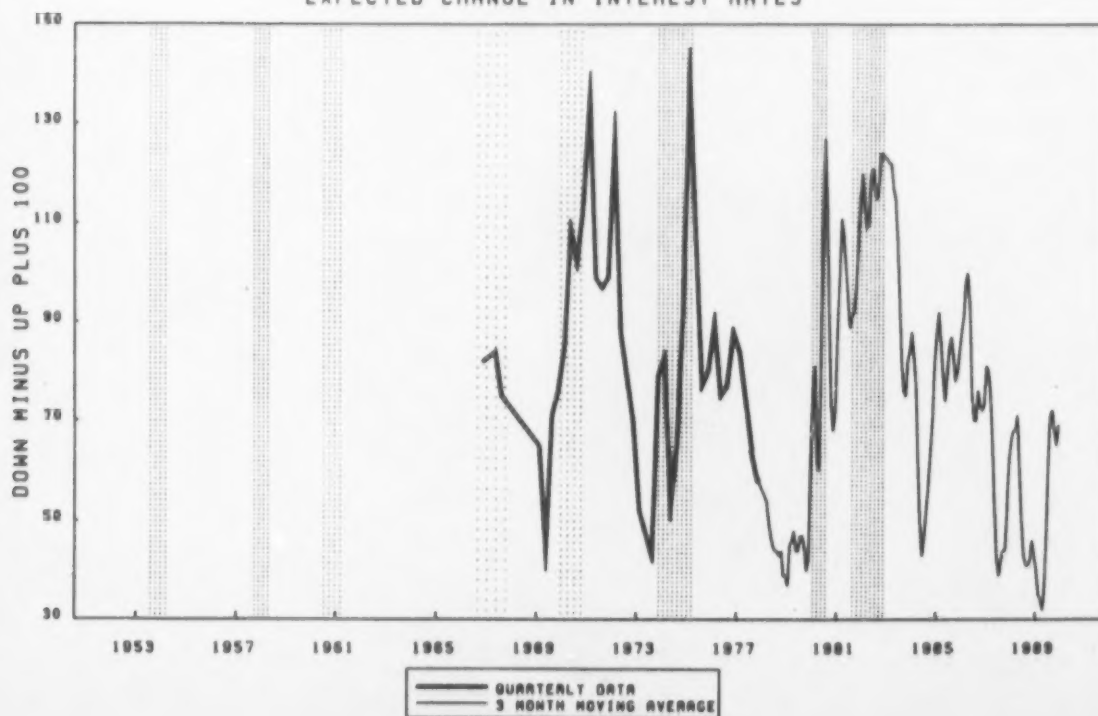


TABLE 18
EXPECTED CHANGE IN INTEREST RATES

	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989
GO UP	74%	68%	75%	73%	75%	64%	54%	51%	49%	50%	55%	52%	46%
STAY THE SAME	16	23	16	20	17	20	24	25	24	30	26	27	26
GO DOWN	7	7	7	5	7	12	19	23	24	18	17	18	25
DK,NA	3	2	2	2	1	4	3	1	3	2	2	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	500	502	500	503	507	501	502	506	500	502	500

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 19 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS



CHART 19 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

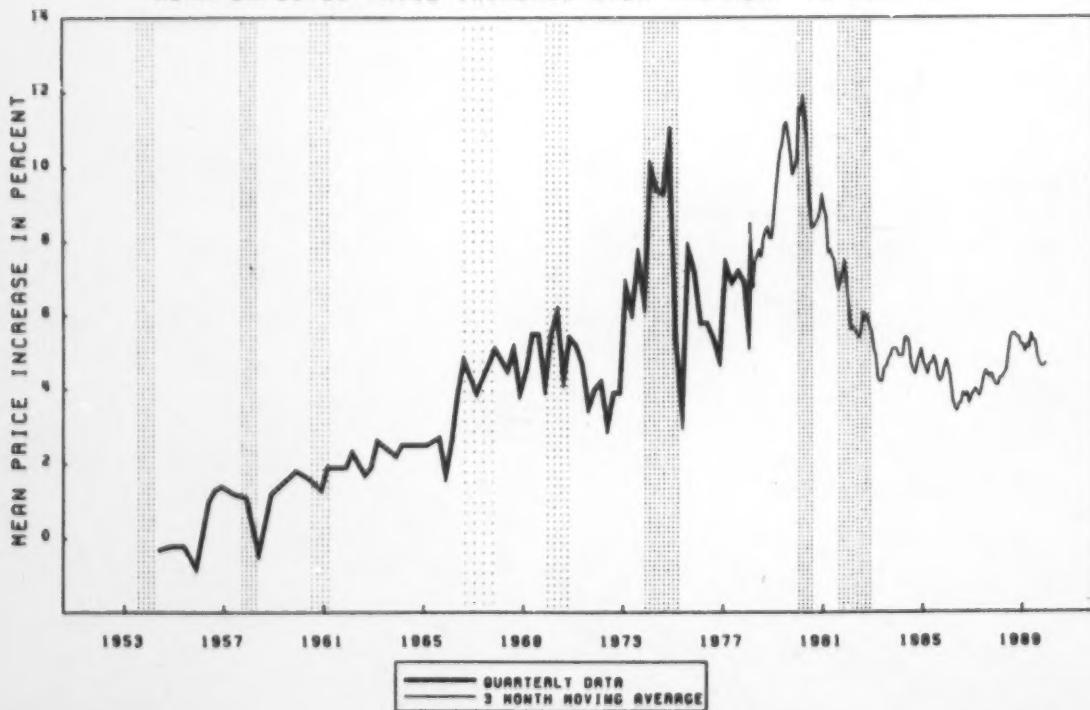


TABLE 19

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989
SAME OR DOWN	10%	10%	11%	12%	8%	10%	10%	10%	13%	13%	12%	12%	10%
WILL GO UP BY:													
1-2%	16	20	15	18	17	16	18	18	18	21	19	17	21
3-4%	26	23	24	23	23	19	24	21	23	24	23	26	21
5%	20	19	22	17	21	23	19	22	21	21	19	19	23
6-9%	8	9	10	9	10	9	9	9	6	6	9	7	10
10-14%	11	7	8	9	10	11	10	8	9	6	8	8	5
15% or more	4	6	4	7	5	7	5	5	3	3	3	4	5
DK how much up	4	5	5	4	6	4	5	6	6	5	5	6	5
DK,NA	1	1	1	1	*	1	*	1	1	1	2	1	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	5.0	5.1	4.8	5.6	5.0	5.8	5.0	5.1	4.7	4.4	4.7	4.7	4.6
VARIANCE	32	41	29	64	24	49	34	39	42	32	32	31	28
CASES	500	501	500	502	500	503	507	501	502	506	500	502	500

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 20 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

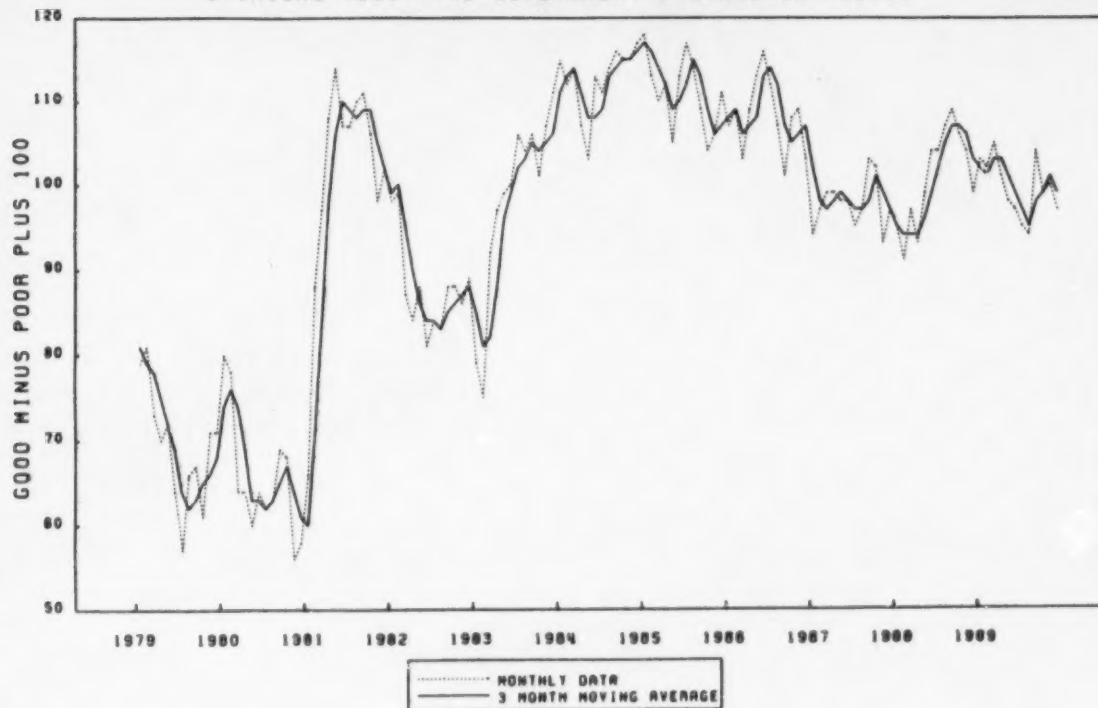


CHART 20 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

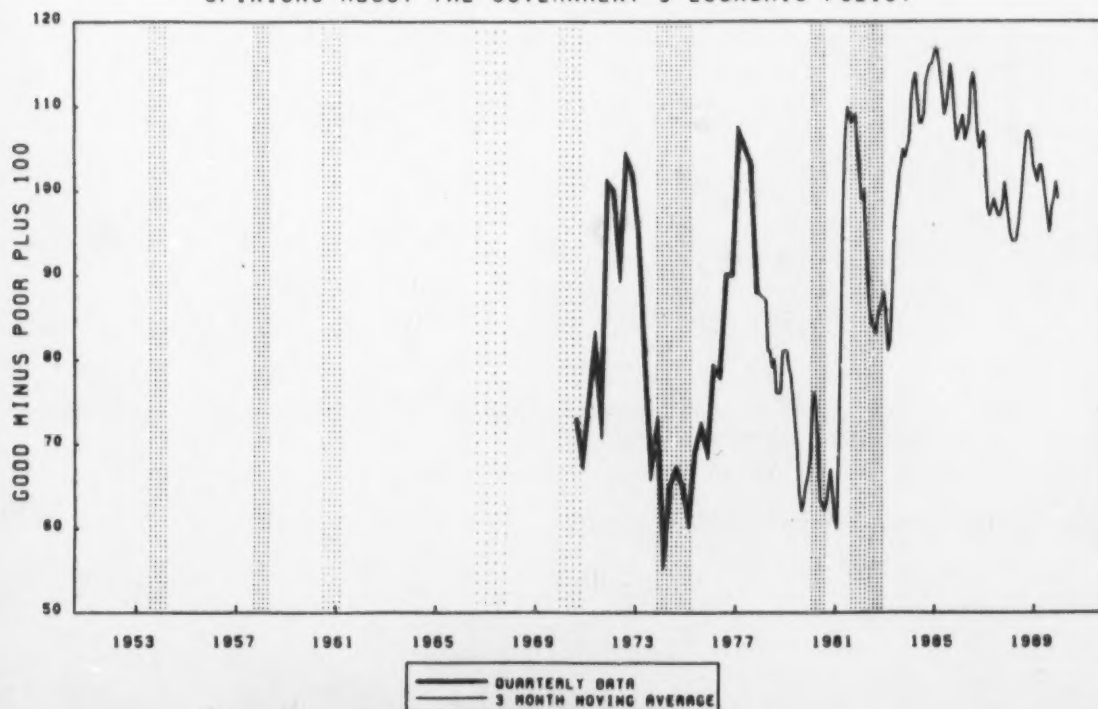


TABLE 20
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989
A GOOD JOB	20%	27%	23%	25%	19%	19%	20%	18%	18%	21%	18%	17%	20%
ONLY FAIR	57	48	51	52	59	57	55	56	56	60	61	64	55
A POOR JOB	21	24	21	20	18	21	23	23	24	17	19	17	23
DK.NA	2	1	5	3	4	3	2	3	2	2	2	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	500	502	500	503	507	501	502	506	500	502	500

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 21 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS



CHART 21 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

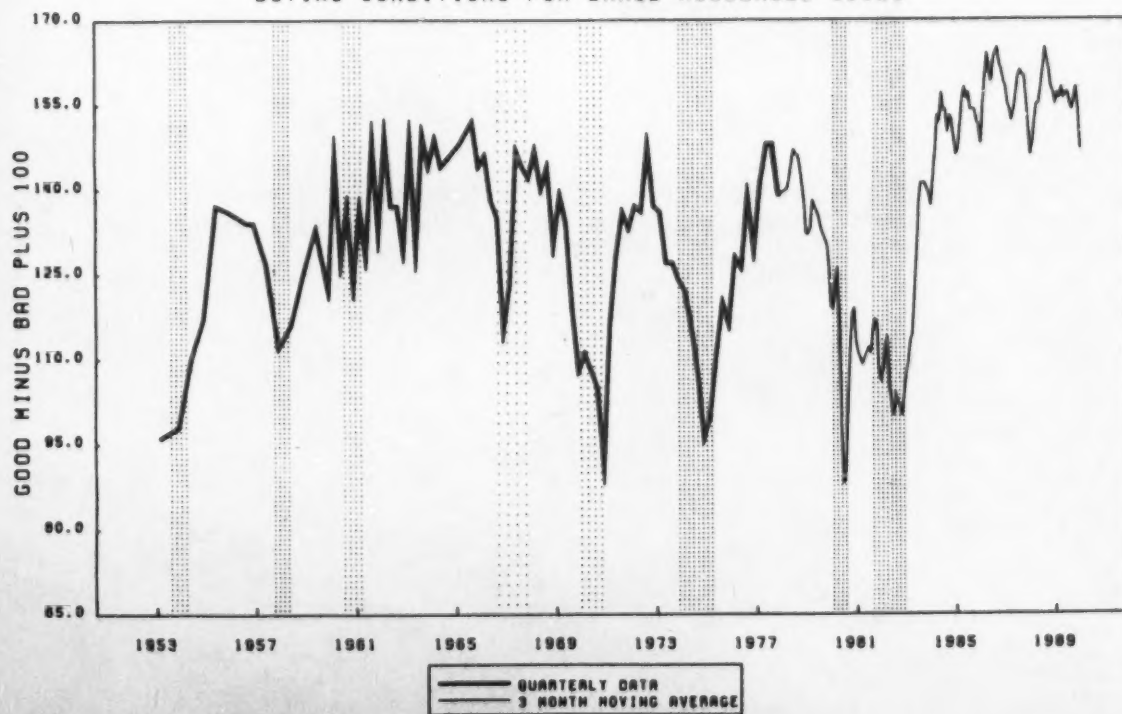


TABLE 21

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989
GOOD TIME TO BUY	70%	78%	71%	72%	75%	73%	71%	71%	73%	75%	73%	67%	65%
UNCERTAIN. DEPENDS	10	9	12	12	8	11	13	10	10	11	10	12	10
BAD TIME TO BUY	20	13	17	16	17	16	16	19	17	14	17	21	25
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	500	502	500	503	507	501	502	506	500	502	500

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 22A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

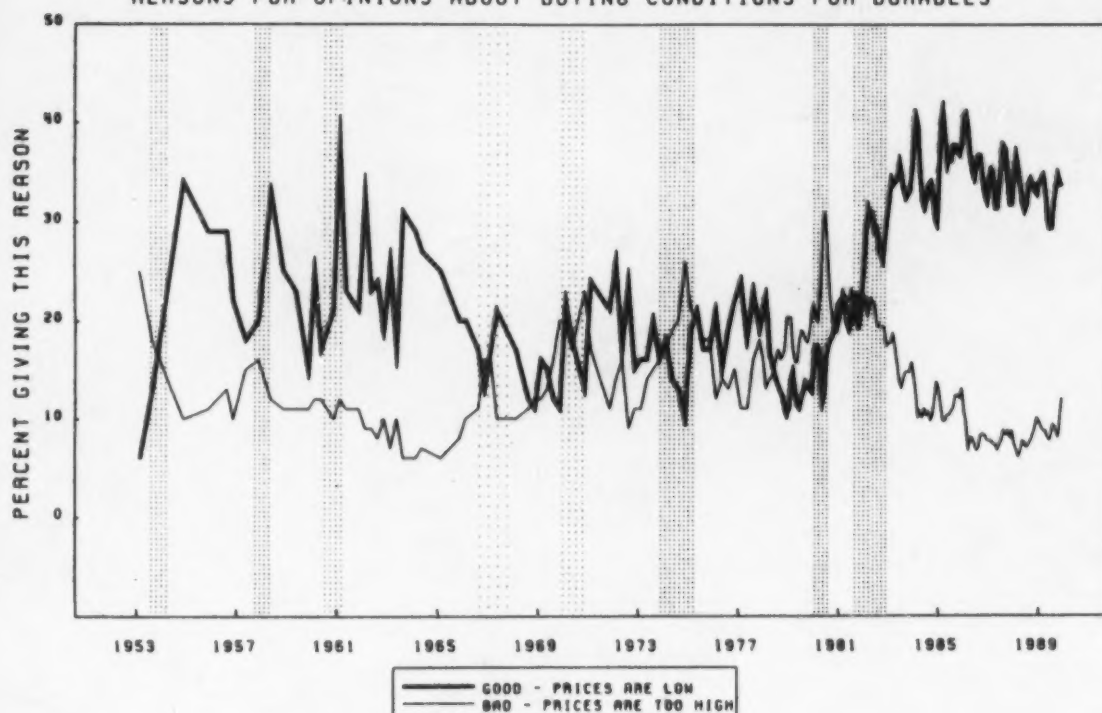


CHART 22B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

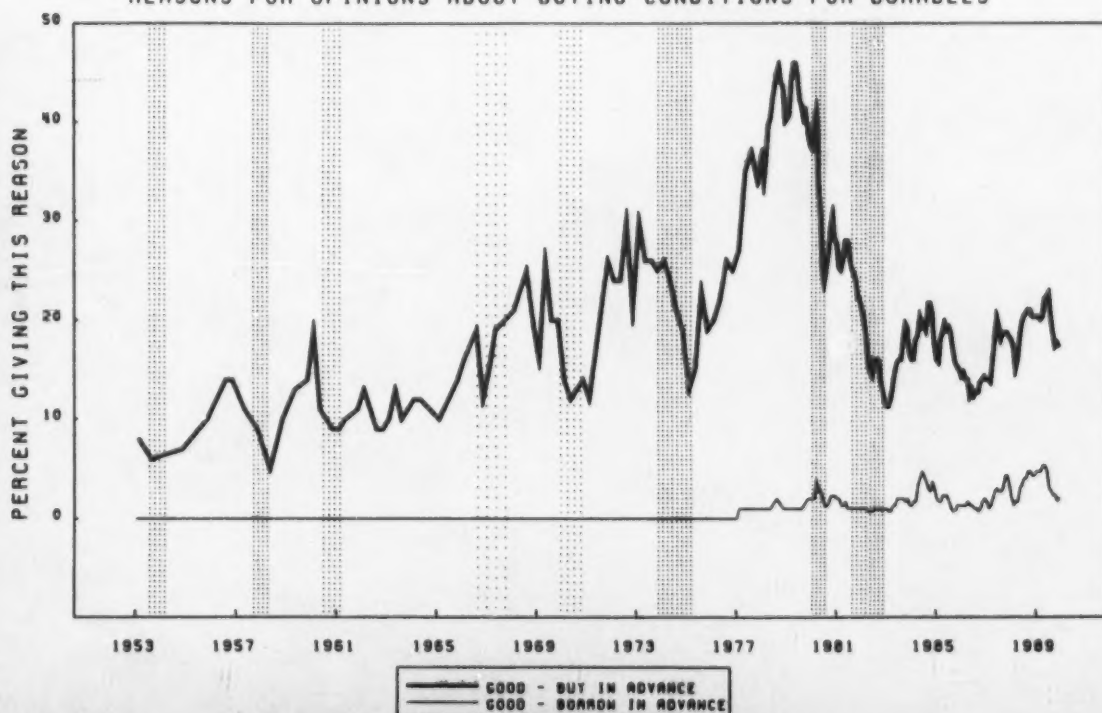


TABLE 22

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989
GOOD TIME TO BUY:													
Prices are low; good buys available	32%	36%	35%	33%	31%	27%	30%	31%	35%	34%	35%	32%	34%
Prices won't come down; are going higher	21	21	19	20	22	24	21	23	16	17	19	17	16
Interest rates are low	4	5	4	6	4	5	5	7	7	7	5	7	5
Borrow-in-advance of rising interest rates	5	5	4	5	7	4	3	2	3	2	2	1	3
Times are good; prosperity	7	7	9	7	8	6	6	5	2	8	6	4	3
BAD TIME TO BUY:													
Prices are high	11	7	9	10	7	7	9	10	9	7	8	14	14
Interest rates are high; credit is tight	5	2	5	5	8	5	6	4	4	2	3	3	4
Times are bad; can't afford to buy	3	4	5	4	4	4	3	3	2	4	4	5	5
Bad times ahead; uncertain future	3	3	3	1	2	3	3	3	3	2	2	1	3

Responses to the query: "Why do you say so?" following the question on Table 21.
 + : May add to more than 100% due to multiple mentions.

CHART 22C - HISTORICAL SERIES
 REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

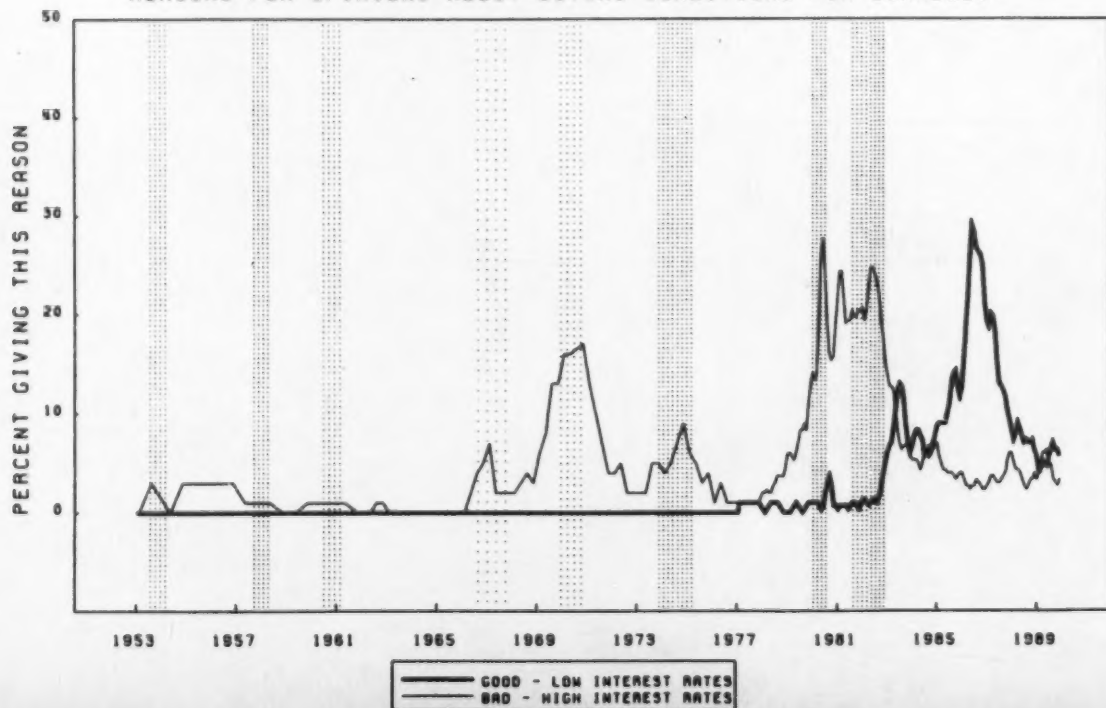


CHART 23 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES



CHART 23 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

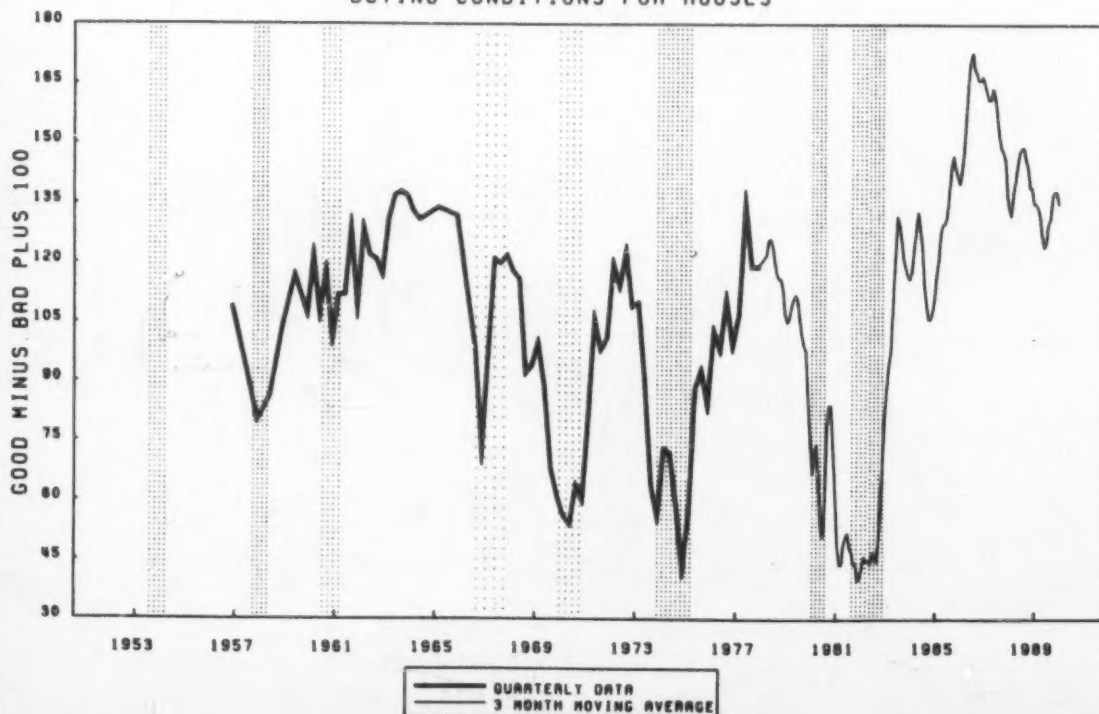


TABLE 23
BUYING CONDITIONS FOR HOUSES

	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989
GOOD TIME TO BUY	63%	64%	64%	60%	58%	61%	61%	64%	64%	70%	66%	63%	64%
UNCERTAIN.—DEPENDS	7	6	8	5	4	6	5	6	4	4	5	7	6
BAD TIME TO BUY	30	30	28	35	38	33	34	30	32	26	29	30	30
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	500	502	500	503	507	501	502	506	500	502	500

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 24A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

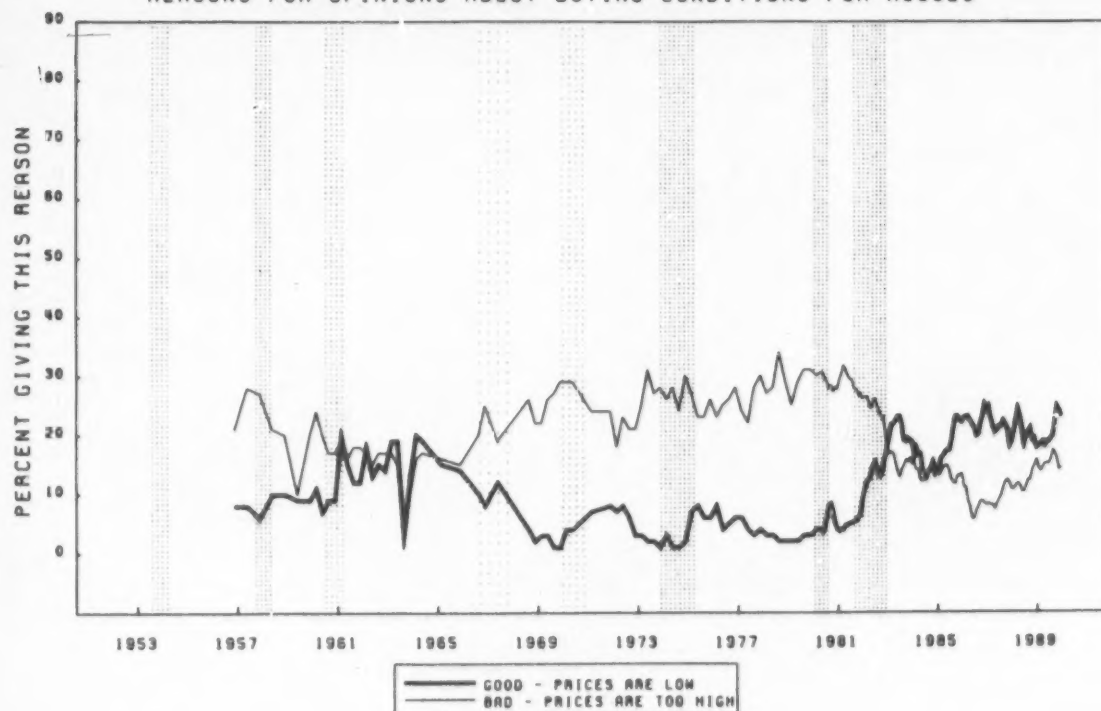


CHART 24B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

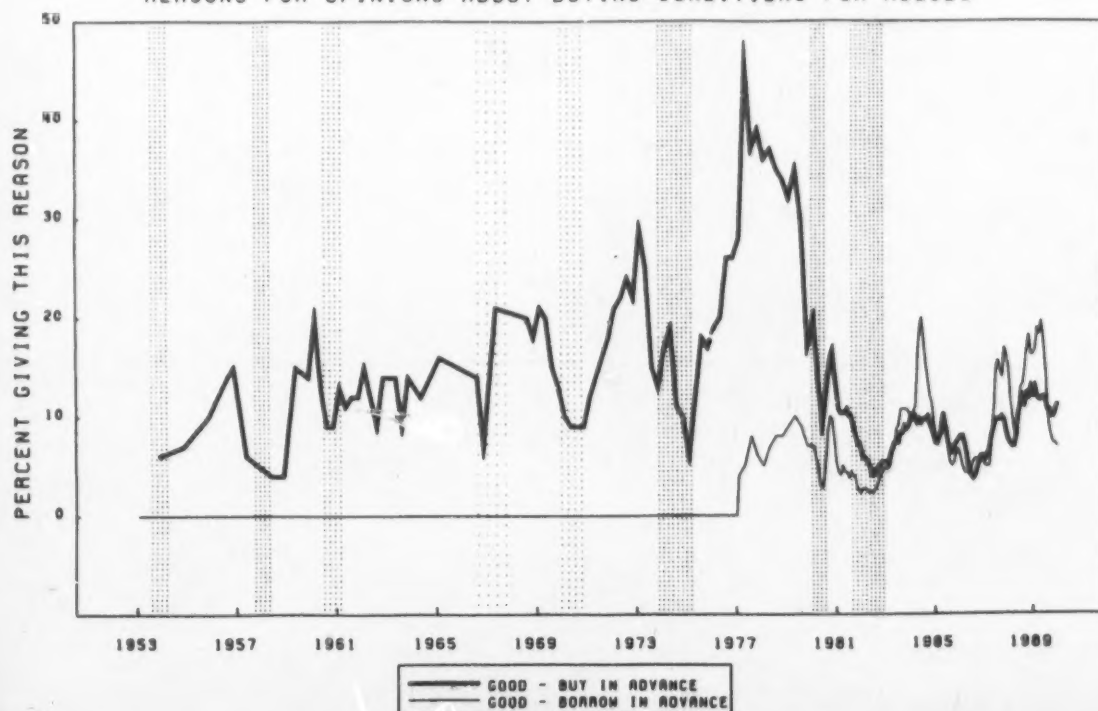


TABLE 24

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989
--	--------------	--------------	--------------	--------------	--------------	-------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------

GOOD TIME TO BUY:

Prices are low; good buys available	16%	19%	20%	17%	17%	22%	17%	19%	23%	25%	26%	21%	22%
Prices won't come down; are going higher	13	13	10	12	13	11	12	9	11	10	9	13	12
Interest rates are low	19	22	20	17	16	16	22	27	28	36	29	29	26
Borrow-in-advance of rising interest rates	21	16	20	19	20	15	11	8	8	8	6	8	7
Good investment	8	7	7	9	6	8	9	8	6	7	6	8	8
Times are good; prosperity	3	4	5	2	4	4	3	5	3	4	5	2	3

BAD TIME TO BUY:

Prices are high	14	14	13	16	16	13	16	18	18	14	15	13	15
Interest rates are high; credit is tight	18	16	12	24	28	25	23	15	15	14	13	15	17
Times are bad; can't afford to buy	3	5	6	7	7	6	5	6	6	6	6	8	6
Bad times ahead; uncertain future	5	4	3	3	4	3	2	2	2	2	1	2	3

Responses to the query: "Why do you say so?" following the question on Table 23.
+ : May add to more than 100% due to multiple mentions.

CHART 24C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

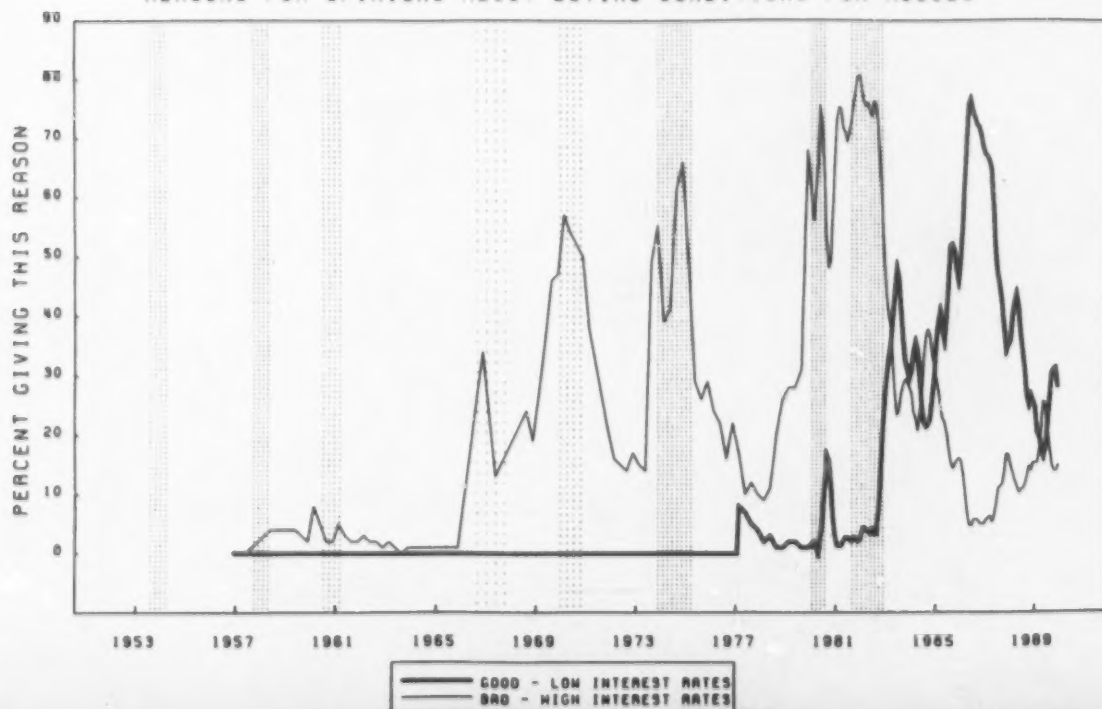


CHART 25 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

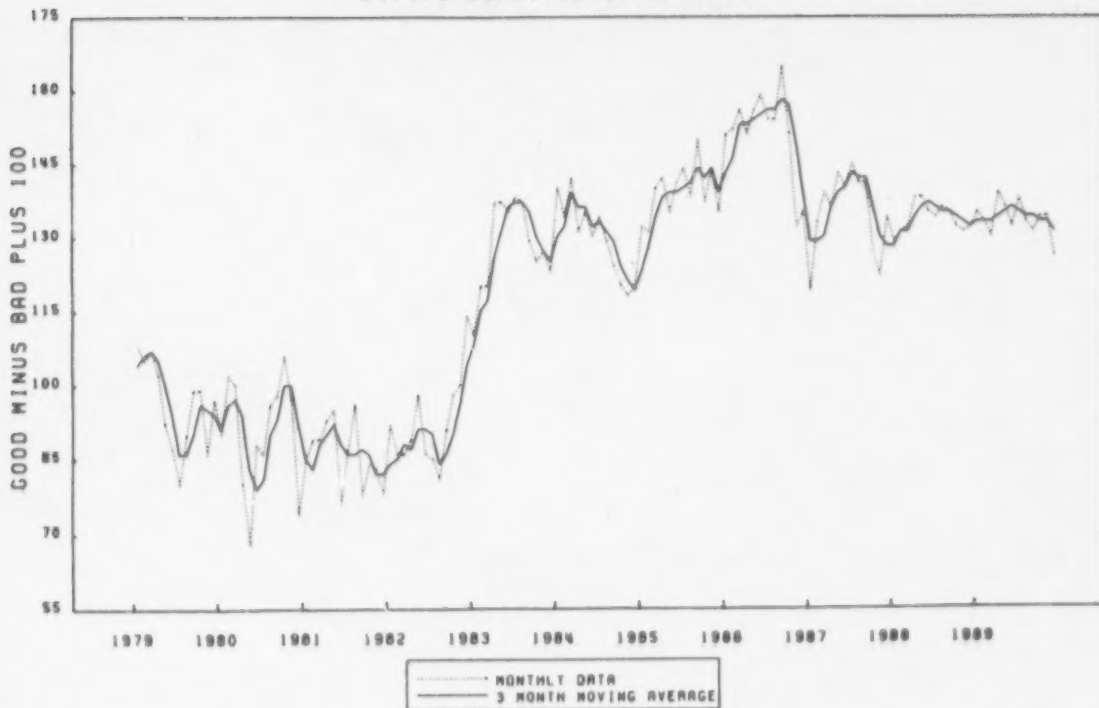


CHART 25 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

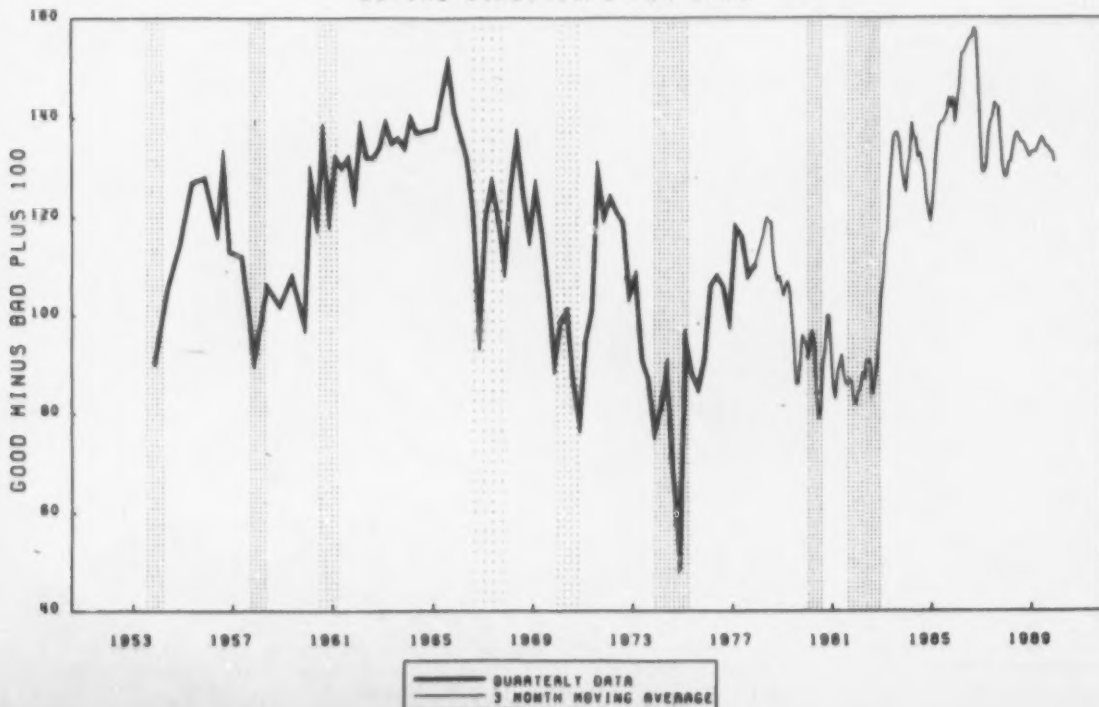


TABLE 25
BUYING CONDITIONS FOR CARS

	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989
GOOD TIME TO BUY	61%	62%	61%	61%	65%	63%	61%	64%	61%	61%	62%	62%	58%
UNCERTAIN; DEPENDS	10	11	11	8	9	10	10	10	11	9	10	10	10
BAD TIME TO BUY	29	27	28	31	26	27	29	26	28	30	28	28	32
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	501	500	502	500	503	507	501	502	506	500	502	500

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 26A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

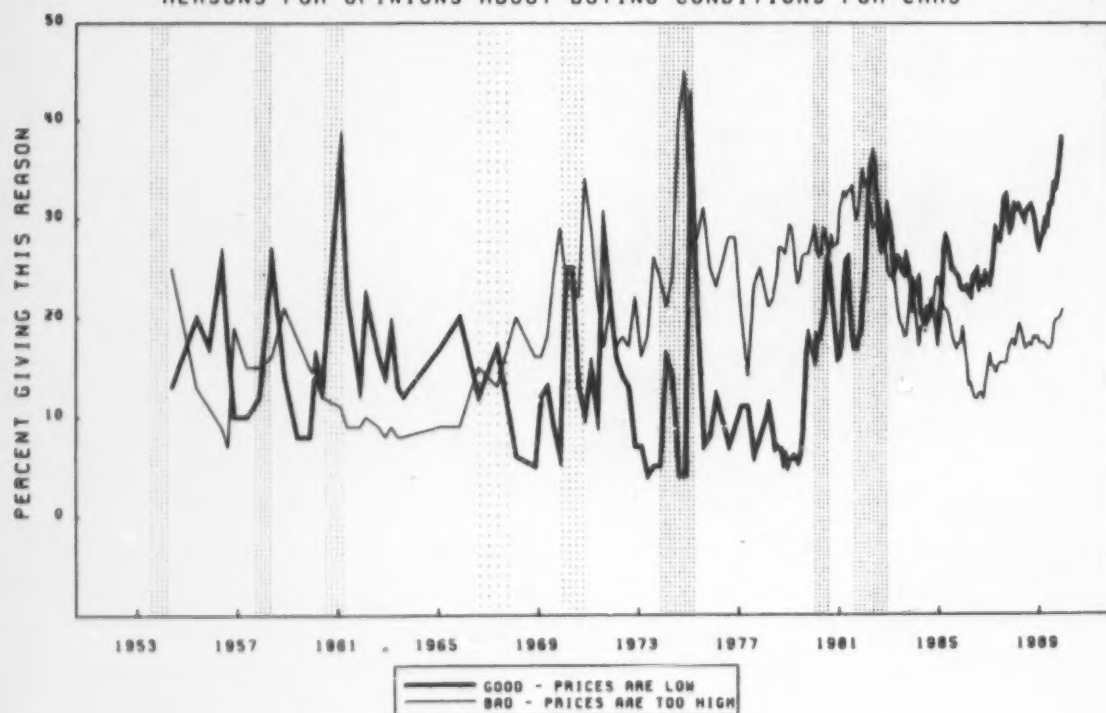


CHART 26B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

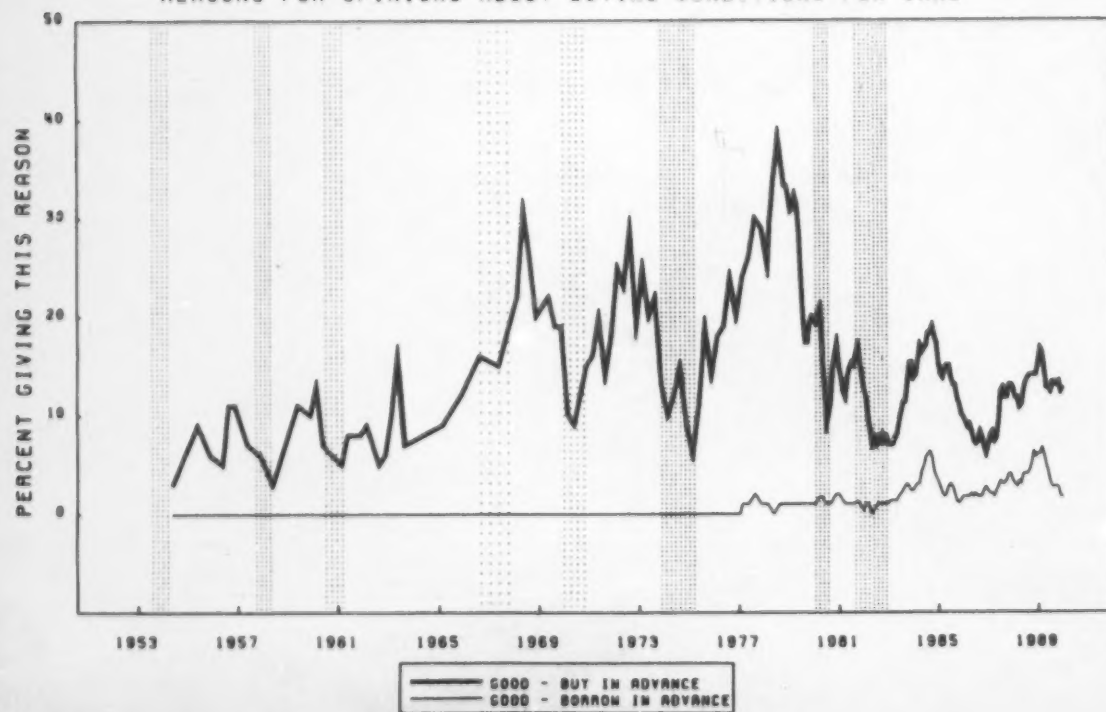


TABLE 26

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

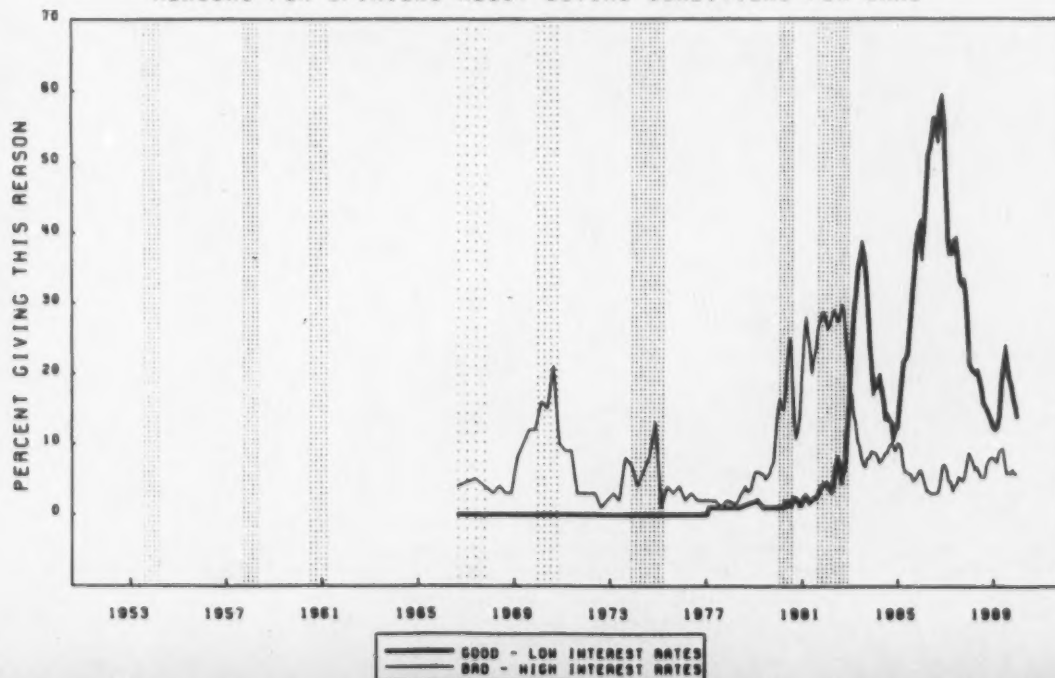
	Dec. 1988	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept. 1989	Oct. 1989	Nov. 1989	Dec. 1989
GOOD TIME TO BUY:													
Prices are low; good buys available	26%	28%	30%	27%	32%	29%	33%	32%	35%	32%	36%	41%	38%
Prices won't come down; are going higher	17	18	14	12	12	14	11	15	14	10	16	11	11
Interest rates are low	11	11	15	15	25	23	21	19	18	18	13	15	13
Borrow-in-advance of rising interest rates	7	7	6	5	4	4	2	2	4	2	2	1	2
Times are good; prosperity	4	5	4	3	3	3	2	3	2	4	3	2	1
BAD TIME TO BUY:													
Prices are high	18	17	17	18	16	16	18	18	22	19	18	23	21
Interest rates are high; credit is tight	9	7	6	13	9	6	7	4	7	6	6	5	6
Times are bad; can't afford to buy	4	2	4	2	3	4	3	2	2	5	4	4	4
Bad times ahead; uncertain future	3	1	1	2	3	2	1	1	2	1	2	1	1
Poor selection; quality	2	4	3	3	2	3	2	3	2	3	2	3	4

Responses to the query: "Why do you say so?" following the question on Table 25.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 26C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS



EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES

THE INDEX OF CONSUMER SENTIMENT

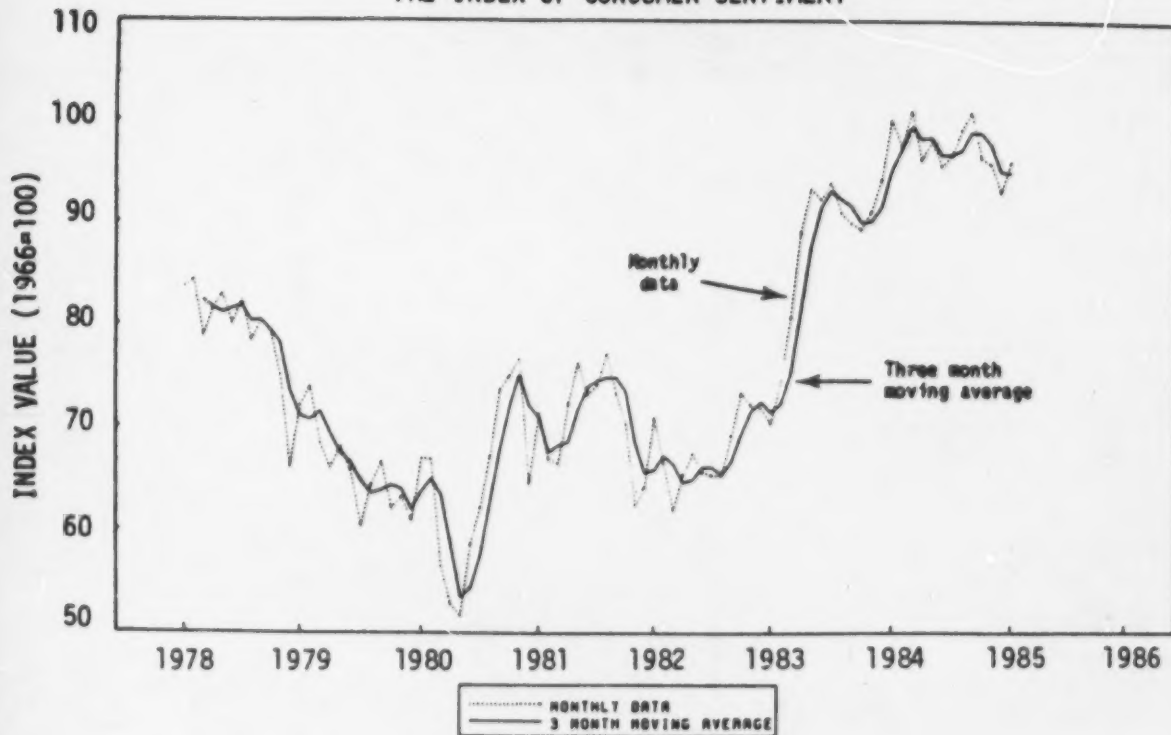
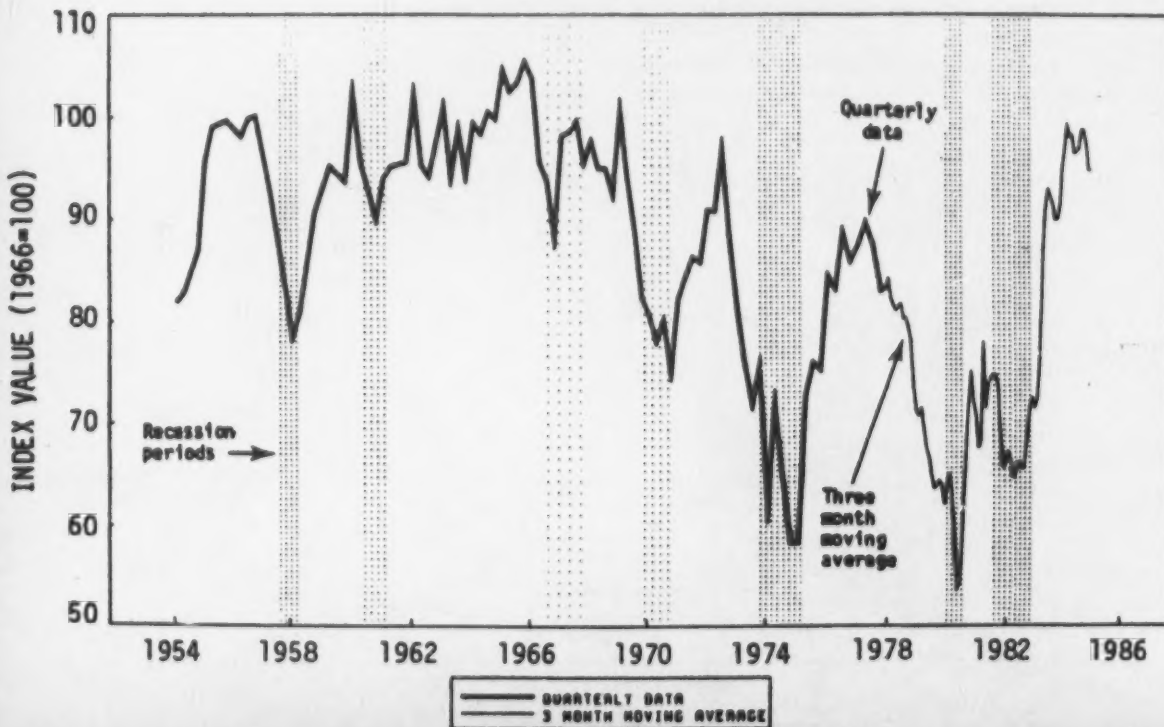


CHART 1 - HISTORICAL SERIES

THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHARTS

DATA POINTS

QUARTERLY DATA: Data collected by surveys conducted at three month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE-MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

TIME SCALE

Each tic mark on the time scale represents the month of January for the indicated year.

RECESSION PERIODS

November	1948 - October	1949
July	1953 - May	1954
August	1957 - April	1958
April	1960 - February	1961
June	1966 - November	1967*
December	1969 - November	1970
November	1973 - March	1975
January	1980 - July	1980
July	1981 - November	1982

Recession dates are determined by the National Bureau of Economic Research.

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters

***GROWTH RECESSION:** Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

RECOMMENDED ALLOWANCE FOR SAMPLING ERROR OF A PERCENTAGE
(Sampling Error Allowance in Percentage Points¹)

For Estimated Percentage Near	Number of Interviews											
	100	200	300	400	500	750	1000	1250	1500	2000	2500	3000
1% or 99%	2.2	1.6	1.3	1.1	1.0	0.8	0.7	0.6	0.6	0.5	0.4	0.4
5% or 95%	4.9	3.5	2.8	2.4	2.2	1.8	1.5	1.4	1.3	1.1	1.0	0.9
10% or 90%	6.7	4.8	3.9	3.4	3.0	2.4	2.1	1.9	1.7	1.5	1.3	1.2
20% or 80%	9.0	6.3	5.2	4.5	4.0	3.3	2.8	2.5	2.3	2.0	1.8	1.6
30% or 70%	10.3	7.3	5.9	5.1	4.6	3.7	3.2	2.9	2.6	2.3	2.0	1.9
40% or 60%	11.0	7.8	6.3	5.5	4.9	4.0	3.5	3.1	2.8	2.4	2.2	2.0
50%	11.2	7.9	6.5	5.6	5.0	4.1	3.5	3.2	2.9	2.5	2.2	2.0

¹The figures in this table represent two standard errors. Hence, the chances are 95 in 100 that the true percentage lies within a range equal to the observed percentage, plus or minus the sampling error.



January 1990 Monthly Survey

February 9, 1990

Surveys of Consumers

Richard T. Curtin, *Director*

Overall Sentiment Posts Uneven Changes Price Discounts Improve Buying Attitudes

Overall Index Improves

The Index of Consumer Sentiment was 93.0 in the January 1990 survey, up from 90.5 in December 1989, but significantly below the 97.9 recorded in January 1989. The entire improvement above the December reading resulted from more favorable assessments of buying conditions for household durables due to widespread reports of price discounts. Apart from the improvement in buying attitudes, the other Index components would have registered a slight decline.

Among families with incomes of \$40,000 or more, the Index was 103.2 in January 1990, below the 104.1 recorded one month earlier and the 106.8 recorded one year earlier.

Leading Indicator Declines

The Index of Consumer Expectations was 83.4 in the January 1990 survey, down from 85.5 one month earlier and 89.9 one year earlier. Consumers voiced less favorable expectations for both their own personal finances as well as prospects for the economy as a whole in the January survey.

The Index of Current Economic Conditions rose to 108.0 in the January 1990 survey from 98.2 one month earlier based entirely on the strength of more favorable evaluations of current buying conditions. Despite this sharp improvement, the

Current Conditions Index in January 1990 was still below the year earlier reading of 110.3.

Personal Finances

Consumers' assessments of their current financial situation has remained largely unchanged during the past several months. Among all families in the January 1990 survey, 43 percent reported that their financial situation had improved during the past year. This proportion was between the 41 percent recorded one month earlier and the 44 percent recorded one year earlier.

Increases in family income were reported by 33 percent of all families in the January 1990 survey, between the 31 percent recorded one month earlier and the 34 recorded one year earlier.

The proportion of families that expected their financial situation to improve during the year ahead fell to 35 percent in the January 1990 survey, down from 37 percent one month earlier and 41 percent one year earlier. While fewer families expected improvement, the proportion that expected a worsening financial situation did not increase by a comparable amount (11 percent in January 1990, just ahead of the 10% a year earlier). More families expected, considering changes in both incomes and prices, that their financial situation would remain largely unchanged (51 percent, up from 47 percent a year earlier).

Aware of Slowdown in Economy But No Recession Expected

Favorable assessments of the current state of the national economy were given by 43 percent of all families in the January 1990 survey, down from 53 percent in the January 1989 survey. Overall, 38 percent of all families thought that the economy had worsened during 1989, substantially above the 26 percent that gave a similar assessment for 1988.

Despite the growing opinion that the performance of the national economy has weakened, just 17 percent thought that the economy would worsen during the year ahead in the January 1989 survey, unchanged from a year ago. The majority of families in the January 1990 survey continue to expect the performance of the national economy to remain unchanged during the year ahead (59 percent in January 1990, up from 56 percent a year earlier).

The anticipation of continued slow economic growth has meant that consumers do not expect a recession during the year ahead, but the longer term outlook has become less favorable.

Good times financially in the economy as a whole were expected by 52 percent of all families in the January 1990 survey, between the 49 percent recorded one month earlier and the 56 percent recorded one year earlier.

Over the longer term, 37 percent of all families expected good times financially during the next five years, down from 39 percent one month earlier and 45 percent one year earlier. Moreover, during the past year the balance of opinion has reversed: Whereas in the January 1989 survey the percent that expected good times over the longer term was slightly higher than the proportion that expected bad times financially (45 versus 42 percent), in the January 1990 survey the balance of opinion was the reverse (37 versus 45 percent).

Unemployment Expectations Remain Largely Unchanged

Little change in unemployment expectations has been recorded during the past few months. The majority of families expected the national unemployment rate to remain unchanged in the January 1990 survey (52 percent) as well as in the January 1989 survey (50 percent). On the margin, however, more families expected increases in unemployment than declines in January 1990 (36 versus 10 percent), and this negative balance of opinion has grown slightly since January 1989 (34 versus 15 percent).

Interest Rate Expectations Register Small Improvement

Interest rate expectations posted a small improvements during the past few months, and at the start of 1990 were much more favorable than a year earlier. Among all families in the January 1990 survey, 45 percent expected increases in interest rates during the year ahead, substantially below the 68 percent recorded at the start of 1989. Declines in interest rates were expected by 27 percent of all families in the January 1990 survey, significantly above the 7 percent recorded a year earlier. In spite of these improvements, the balance of opinion still points toward further increases rather than declines during the year ahead.

Inflation Expectations Post Significant Increase

Consumers expected an annual inflation rate of 5.4% in the January 1990 survey, up sharply from the 4.6% recorded one month earlier and the 5.1% recorded one year earlier. During the last half of 1989, the expected inflation rate averaged 4.7%, and showed little month-to-month variation. While the January reading represents a significant departure from this trend, a single months reading should be treated with caution. In the Spring of 1989, the expected inflation rate rose to a high of

5.8% and then quickly receded by mid year.

Favorable Durable Buying Attitudes Rebound Due to Price Discounts

The proportion of consumers holding favorable attitudes toward buying conditions for household durables rose significantly in the January 1990 survey. The increase in these favorable attitudes was due to much more frequent reports of the availability of price discounts.

The proportion of families holding favorable attitudes toward buying conditions for appliances, furniture, and home electronic goods rose to 77 percent in the January 1990 survey, up from 65 percent one month earlier. Despite this sharp improvement, the January 1990 figure was only marginally above the September 1989 reading of 75 percent, and just below the 78 percent recorded in the January 1989 survey. Indeed, during 1989 it was only in the November and December surveys that the proportion holding favorable attitudes fell below 70 percent.

When asked to explain their views on buying conditions for durables, 45 percent mentioned the availability of price discounts in the January 1990 survey, up from 34 percent in December. At 45 percent the January 1990 reading ties the all-time record recorded in the January surveys of 1984 and 1985.

Vehicle Assessments Regain December Loss

Favorable attitudes toward buying conditions for vehicles were held by 63 percent of all families in the January 1990 survey. Although this represents a small improvement from the 58 percent recorded in the December 1989 survey, in all of 1989 it was only the December survey that was outside of the narrow range of 61 to 65 percent. Rather than indicating an improving trend, the January data suggests that auto buying attitudes have resumed their relatively unchanged horizontal path.

Although there has been little change in the overall proportion holding favorable vehicle buying attitudes, the reasons given for these favorable attitudes have become increasingly focused on the availability of price discounts. References to price discounts and rebates on new vehicle purchases were made by 48 percent of all families in the January 1990 survey, up sharply from 38 percent one month earlier and 28 percent one year earlier. At 48 percent, the January reading was the highest proportion ever recorded in the history of these surveys, replacing the prior record of 41 percent recorded just last November.

In contrast to this dominant focus on the availability of price discounts, references to reduced interest rates on vehicle purchases were mentioned by just 12 percent of all families in the January 1990 survey, just between the 13 percent recorded one month earlier and the 11 percent recorded one year earlier. This unchanged trend is surprising since interest rate discounts as well as price discounts were announced in recent months.

Home Buying Attitudes Unchanged in January

The proportion holding favorable attitudes toward buying conditions for homes stood at 64 percent in the January 1990 survey, unchanged from the month and year earlier readings.

Favorable price references were made by 26 percent of all families in the January 1990 survey, up from 22 percent one month earlier and 19 percent one year earlier. Favorable references to current mortgage rates also increased, to 31 percent in January 1990 from 26 percent one month earlier and 22 percent one year earlier.

While both of these factors tended to improve home buying attitudes, fewer consumers reported the advisability of speeding up purchases to avoid future increases in prices or mortgage rates. Overall, the greater appeal of current prices and mortgage rates was offset by the lessened

incentive to act in advance of further increases.

Among all families, the proportion that favorably viewed borrowing-in-advance of rising mortgage rates fell to just 4 percent in January 1990, from 7 percent one month earlier and 16 percent one year earlier. Favorable views of buying-in-advance of rising home prices also fell, to 10 percent in January 1990 from 12 percent one month earlier and 13 percent one year earlier.

Seasonal References To Price Discounts

The pattern of responses to the January surveys indicates a consistent increase in the proportions of consumers that mention price discounts. The increase from December to January in references to price discounts has been observed since 1978, when the monthly surveys began. (Before 1978, the surveys were conducted quarterly, usually in the months of February, May, August, and November.)

The seasonal pattern is most pronounced in the responses to the question on buying conditions for large household durables, although even for this question the January increase has not always been large. The following data indicate the change in the proportion that mentioned the availability of price discounts from the December to the January surveys of the indicated years for each of the product market studied:

<u>YEAR</u>	<u>DURABLES</u>	<u>CARS</u>	<u>HOMES</u>
1980	+5	-7	0
1981	+6	+5	-1
1982	+6	+7	+1
1983	+1	-10	+1
1984	+7	+5	-3
1985	+12	+6	-2
1986	+1	-1	+1
1987	+7	-2	+1
1988	0	+1	+3
1989	+4	+2	+3
1990	+11	+10	+4

Compared to the consistent, if uneven, increase in mentions of price discounts for household durables, the increase in references to price discounts on vehicles are less uniform in the January surveys and the increase in favorable price references for homes is very small. For the vehicle market, the changing availability of price discount programs offered by vehicle manufacturers may well account for the differences.

* * *

The January 1990 survey included 500 completed interviews conducted between January 3 and January 30, 1990.

SURVEYS OF CONSUMERS



Institute for Social Research

SURVEYS OF CONSUMERS

JANUARY 1990

The January 1990 survey was the 258th in a series of Surveys of Consumers conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results for the total sample will differ by no more than 5 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

While every effort is made to accurately measure consumer attitudes and expectations, factors other than sampling may also affect the accuracy of these (and other) findings. These factors may include effects of the question wording, the ability of respondents to articulate answers and opinions, refusal to participate in the survey, and incomplete coverage of the population. There are no standard measures of these effects, but their presence should be acknowledged when using these and all other survey data. While measurement effects are present in all surveys, a noted advantage of time-series data is that the non-sampling influences remain relatively constant across samples.

TABLE OF CONTENTS

TABLE	TITLE
1.	The Index of Consumer Sentiment
2.	Index of Consumer Sentiment within Region and Age Subgroups
3.	Components of the Index of Consumer Sentiment
4.	Current Financial Situation Compared to a Year Ago
5.	Selected Reasons for Opinions About Personal Financial Situation
6.	Expected Change in Financial Situation
7.	Trend in Personal Financial Situation
8.	Expected Family Income Change During the Next 12 Months
9.	Expected Change in Real Family Income
10.	News Heard of Recent Changes in Business Conditions
11.	Selected Items of News Heard of Recent Changes in Business Conditions
12.	Current Business Conditions Compared to a Year Ago
13.	Expected Change in Business Conditions in a Year
14.	Trend in Past and Expected Changes in Business Conditions
15.	Business Conditions Expected During the Next 12 Months
16.	Business Conditions Expected During the Next 5 Years
17.	Expected Change in Unemployment
18.	Expected Change in Interest Rates
19.	Expected Change in Prices During the Next 12 Months
20.	Opinions About the Government's Economic Policy
21.	Buying Conditions for Large Household Goods
22.	Selected Reasons About Buying Conditions for Large Household Goods
23.	Buying Conditions for Houses
24.	Selected Reasons for Opinions About Buying Conditions for Houses
25.	Buying Conditions for Cars
26.	Selected Reasons for Opinions About Buying Conditions for Cars

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

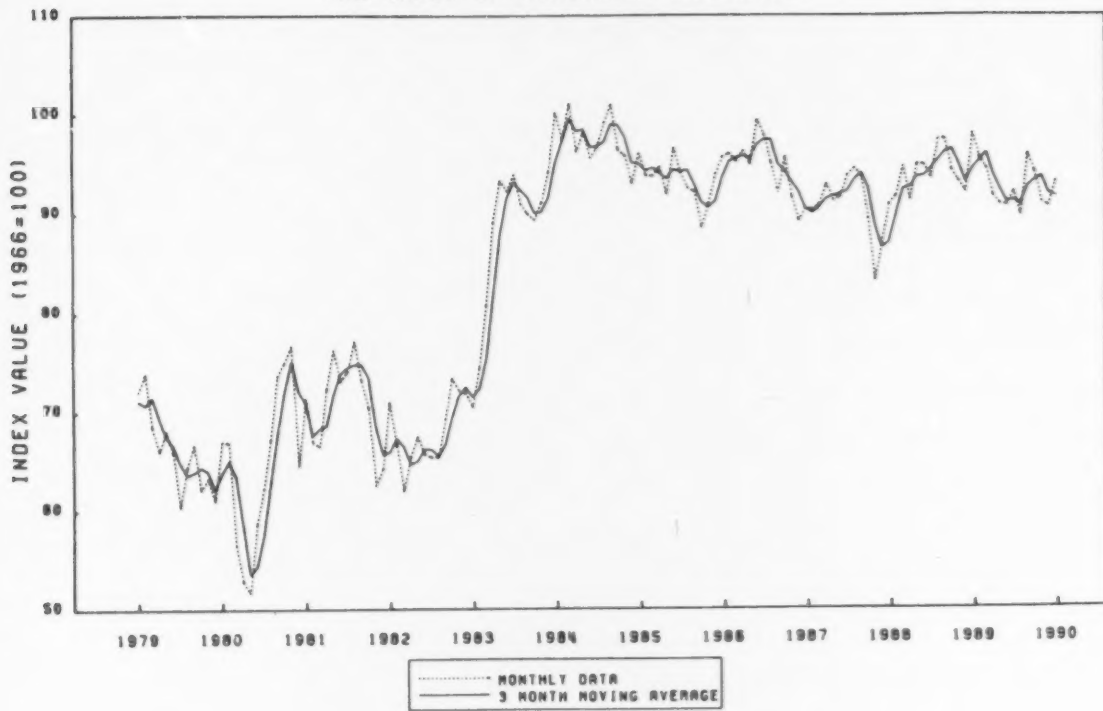


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

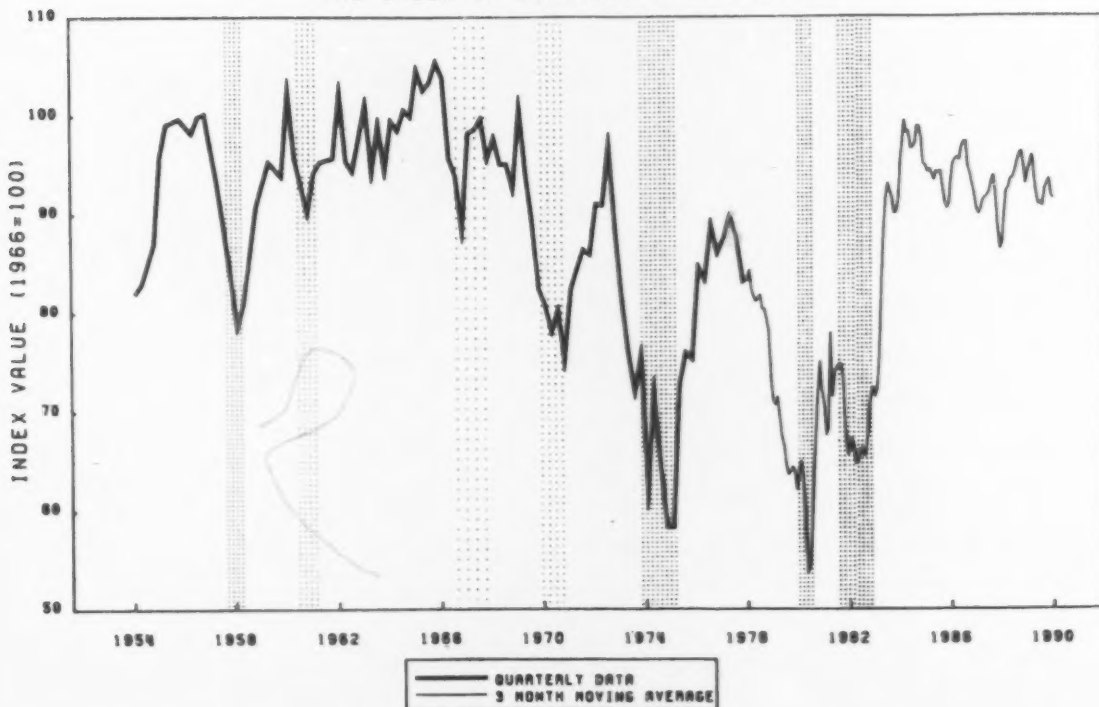


TABLE 1
THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	All families	Families with incomes over \$30,000	Families with incomes over \$40,000
January 1987	90.4	101.2	104.0
February 1987	90.2	103.6	103.6
March 1987	90.8	97.8	96.1
April 1987	92.8	98.5	103.1
May 1987	91.1	97.7	99.2
June 1987	91.5	102.9	102.9
July 1987	93.7	102.5	104.0
August 1987	94.4	104.4	109.1
September 1987	93.6	100.6	104.3
October 1987	89.3	99.9	101.8
November 1987	83.1	87.7	90.5
December 1987	86.8	94.5	96.1
January 1988	90.8	99.0	99.9
February 1988	91.6	98.1	100.8
March 1988	94.6	103.7	104.6
April 1988	91.2	99.1	99.6
May 1988	94.8	106.6	108.3
June 1988	94.7	102.3	102.7
July 1988	93.4	100.5	103.9
August 1988	97.4	105.1	104.2
September 1988	97.3	102.8	105.4
October 1988	94.1	103.0	103.7
November 1988	93.0	102.0	101.0
December 1988	91.9	97.0	99.5
January 1989	97.9	108.4	106.8
February 1989	95.4	104.6	109.6
March 1989	94.3	98.6	100.0
April 1989	91.5	99.1	99.8
May 1989	90.7	100.6	100.3
June 1989	90.6	95.2	95.4
July 1989	92.0	103.2	101.9
August 1989	89.6	93.5	93.1
September 1989	95.8	104.1	103.0
October 1989	93.9	100.2	103.6
November 1989	90.9	99.4	100.5
December 1989	90.5	100.0	104.1
January 1990	93.0	99.9	103.2

CHART 2A - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

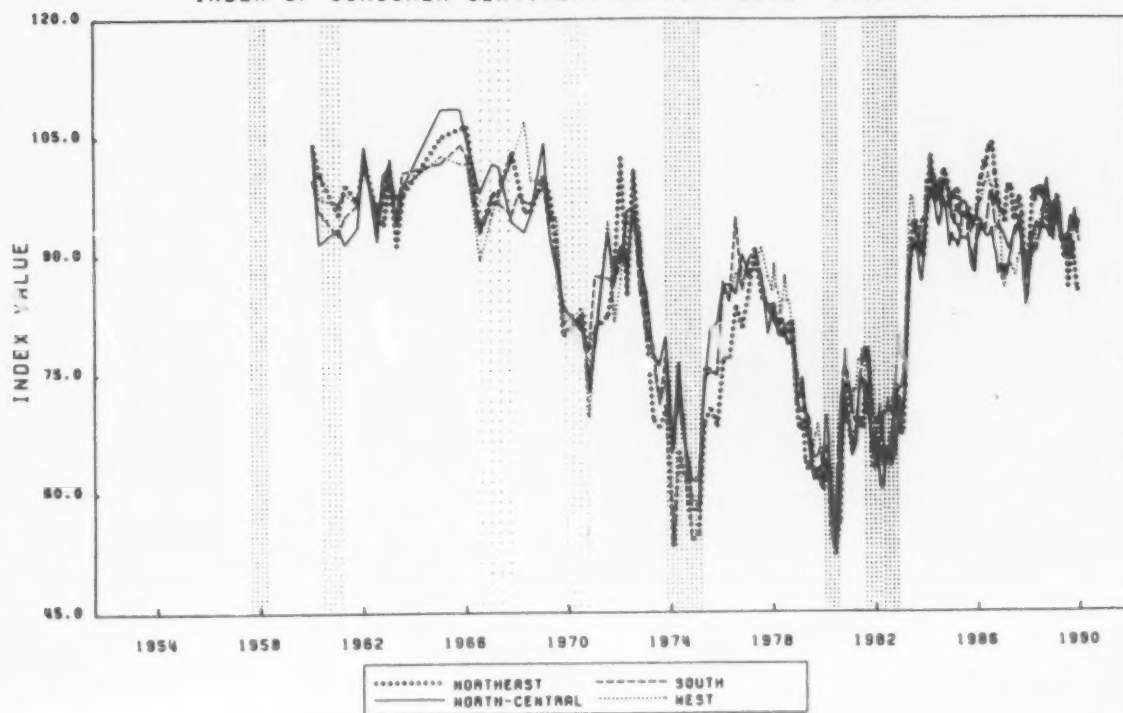


CHART 2B - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

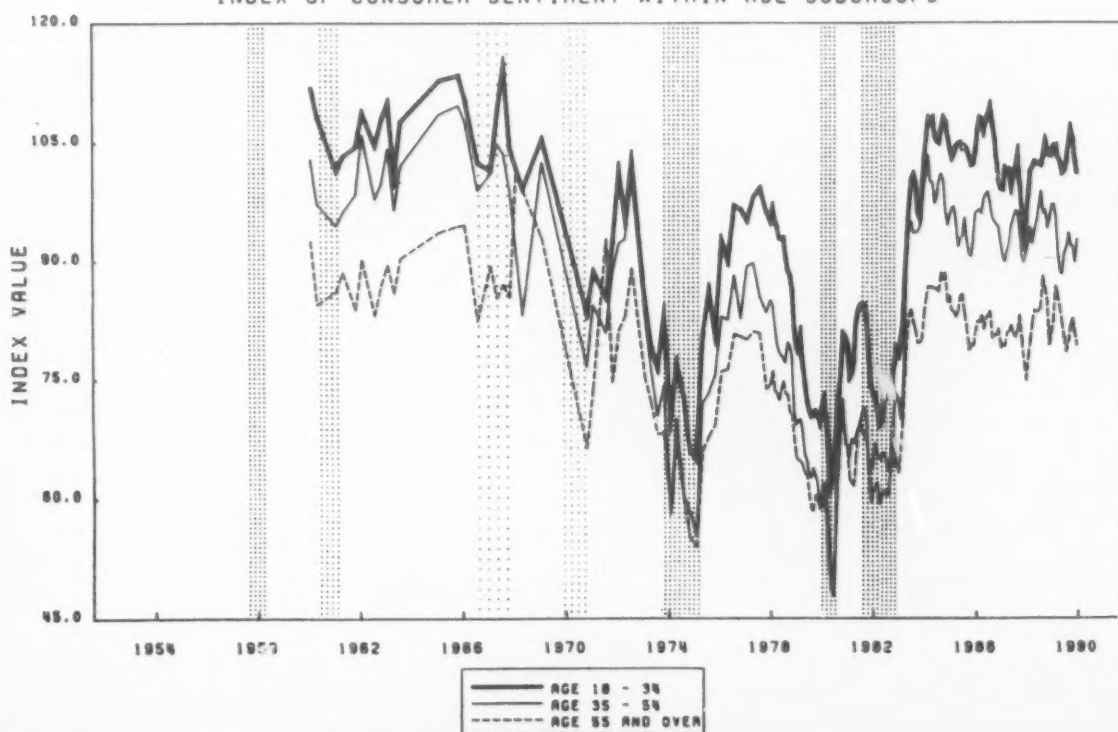


TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY	CENSUS REGION				AGE OF RESPONDENT		
	North East	North Central	South	West	18-34	35-54	55+
January 1987	98.1	85.9	96.0	83.9	99.9	91.2	78.4
February 1987	92.4	89.5	90.7	89.2	99.1	85.2	81.5
March 1987	104.6	86.3	87.5	91.2	106.4	89.3	77.7
April 1987	99.4	91.7	93.7	87.2	99.0	95.1	83.5
May 1987	91.3	92.9	92.1	87.1	99.5	92.8	82.1
June 1987	92.5	92.2	91.5	89.7	99.0	95.5	80.0
July 1987	100.1	95.7	93.8	85.2	103.0	97.8	80.2
August 1987	99.0	91.0	95.2	93.2	103.3	95.8	80.8
September 1987	92.2	94.7	94.9	91.5	104.1	95.4	82.6
October 1987	93.8	87.2	88.3	89.1	92.0	89.9	86.2
November 1987	83.9	79.6	87.9	79.4	91.7	86.6	70.8
December 1987	83.4	83.6	90.4	89.2	94.1	92.9	73.6
January 1988	99.8	91.3	87.6	88.5	98.3	93.6	80.1
February 1988	93.7	92.1	92.8	86.3	102.5	90.3	79.9
March 1988	101.2	92.9	91.6	95.3	103.5	98.9	80.0
April 1988	94.9	93.9	88.6	89.0	100.0	87.5	86.6
May 1988	99.1	95.5	91.1	97.3	104.2	95.4	84.7
June 1988	98.1	91.2	95.9	95.2	103.1	102.0	79.5
July 1988	98.3	92.0	91.8	94.0	99.6	93.0	86.6
August 1988	95.7	100.9	94.4	98.5	103.6	101.7	86.3
September 1988	95.2	101.9	93.3	97.6	106.1	93.3	91.4
October 1988	91.8	96.1	92.9	96.6	105.8	94.6	82.0
November 1988	95.8	90.6	90.5	98.9	100.4	94.3	82.2
December 1988	90.8	90.2	96.1	88.0	103.7	97.1	73.9
January 1989	96.9	94.2	99.9	102.2	105.8	100.3	86.7
February 1989	103.5	99.2	88.8	93.6	104.3	94.2	86.7
March 1989	91.5	95.8	96.1	92.2	103.9	91.8	87.0
April 1989	83.9	94.6	93.4	90.3	101.0	87.5	83.8
May 1989	99.9	86.7	87.3	94.3	102.2	86.9	81.9
June 1989	84.7	91.2	94.4	89.8	100.0	90.4	81.1
July 1989	87.2	91.9	95.6	91.8	101.9	95.8	78.0
August 1989	85.2	93.6	85.0	95.7	105.7	88.9	76.1
September 1989	97.1	98.8	94.0	92.7	107.1	96.2	84.9
October 1989	92.1	89.6	99.5	92.6	107.3	90.5	83.9
November 1989	77.5	98.7	87.2	99.4	102.2	88.6	79.3
December 1989	87.1	89.2	93.5	90.7	99.3	90.3	80.4
January 1990	91.0	94.2	93.8	92.2	101.4	99.5	78.3

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS



CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

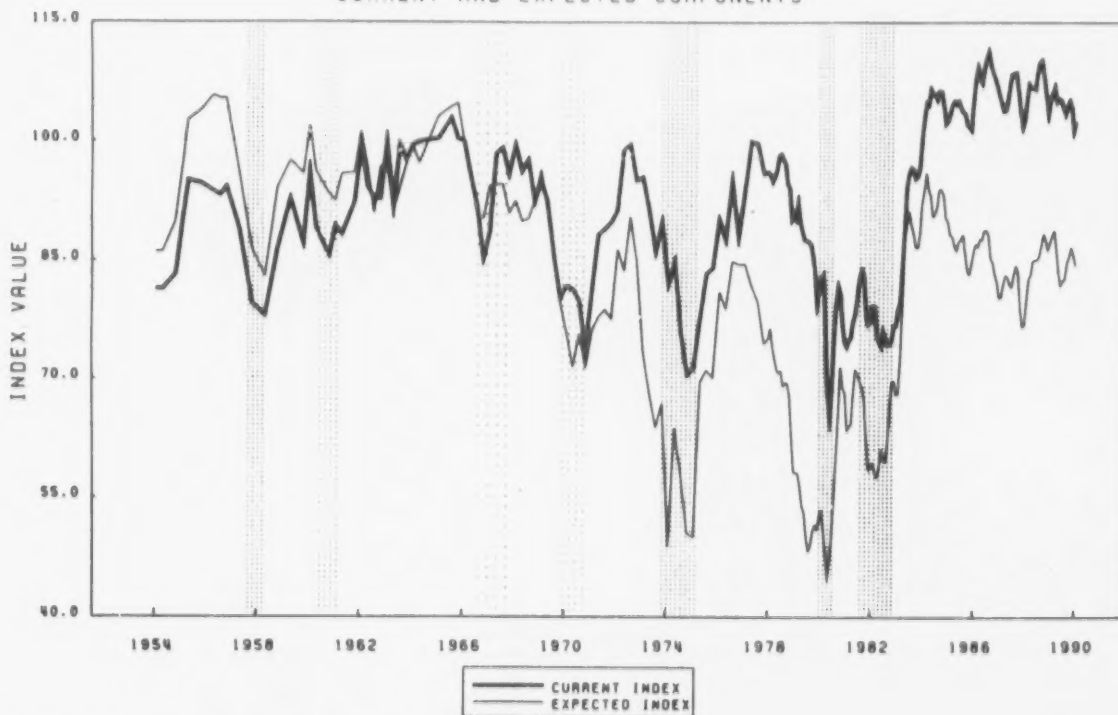


TABLE 3
COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

		INDEX COMPONENTS +						
		Personal finances		Business conditions				
		Current	Expected	12 months	5 years	Buying conds.	Current Index	Expected Index
DATE OF SURVEY		(1)	(2)	(3)	(4)	(5)	(1,5)	(2,3,4)
January	1987	120	130	117	77	152	105.1	80.9
February	1987	115	126	117	84	153	103.7	81.6
March	1987	114	122	121	92	152	102.5	83.3
April	1987	116	127	116	97	158	105.5	84.7
May	1987	117	121	114	89	161	107.4	80.6
June	1987	120	122	113	89	161	108.1	80.8
July	1987	123	123	118	94	162	109.9	83.3
August	1987	122	127	125	93	157	107.8	85.8
September	1987	119	124	122	92	162	108.3	84.2
October	1987	118	128	105	90	149	103.1	80.4
November	1987	115	118	93	80	142	99.3	72.7
December	1987	119	120	98	89	147	102.7	76.7
January	1988	122	131	110	84	154	106.2	80.9
February	1988	122	130	108	90	155	106.6	81.9
March	1988	127	133	114	96	156	109.1	85.2
April	1988	117	125	117	89	154	104.8	82.4
May	1988	111	127	125	98	165	106.5	87.3
June	1988	119	129	121	95	163	108.6	85.7
July	1988	120	128	106	96	167	110.7	82.3
August	1988	127	127	125	105	160	110.8	88.8
September	1988	127	133	125	102	157	109.4	89.5
October	1988	114	124	129	97	158	105.0	87.0
November	1988	112	128	122	97	156	103.3	86.3
December	1988	114	127	119	98	150	102.0	85.5
January	1989	121	131	128	103	165	110.3	89.9
February	1989	120	130	128	99	154	105.7	88.8
March	1989	116	131	123	98	156	104.8	87.6
April	1989	113	130	113	91	158	104.4	83.2
May	1989	121	125	107	89	157	107.1	80.1
June	1989	115	123	115	90	155	104.1	82.0
July	1989	112	123	124	96	152	102.1	85.5
August	1989	114	126	109	88	156	103.9	80.3
September	1989	117	129	127	101	161	107.1	88.6
October	1989	114	134	124	93	156	104.4	87.2
November	1989	116	130	116	92	146	101.2	84.3
December	1989	115	129	115	99	140	98.2	85.5
January	1990	116	124	119	92	164	108.0	83.4

- (1) See Table 4.
- (2) See Table 6.
- (3) See Table 15.
- (4) See Table 16.
- (5) See Table 21.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO



CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

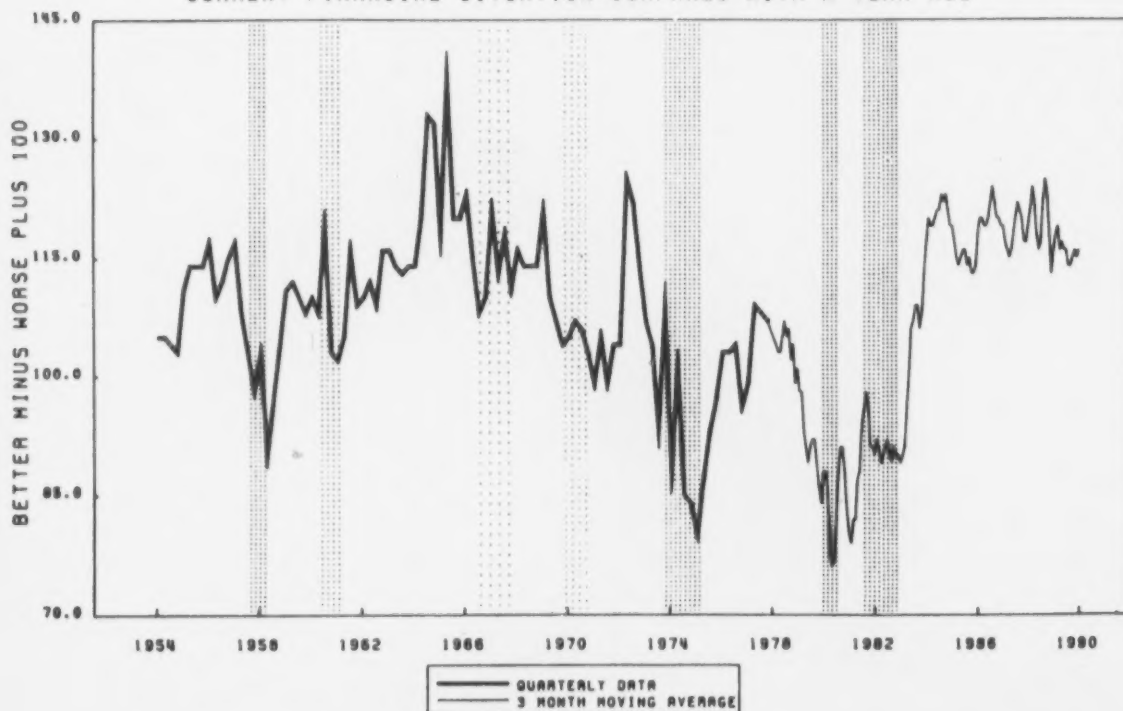


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990
BETTER OFF	44%	44%	42%	42%	45%	38%	41%	41%	42%	42%	42%	41%	43%
SAME	33	31	32	29	31	38	30	32	32	30	32	32	30
WORSE OFF	23	24	26	29	24	23	29	27	25	28	26	26	27
DK,NA	*	1	*	*	*	1	*	*	1	*	*	1	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	500	502	500	503	507	501	502	506	500	502	500	500

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

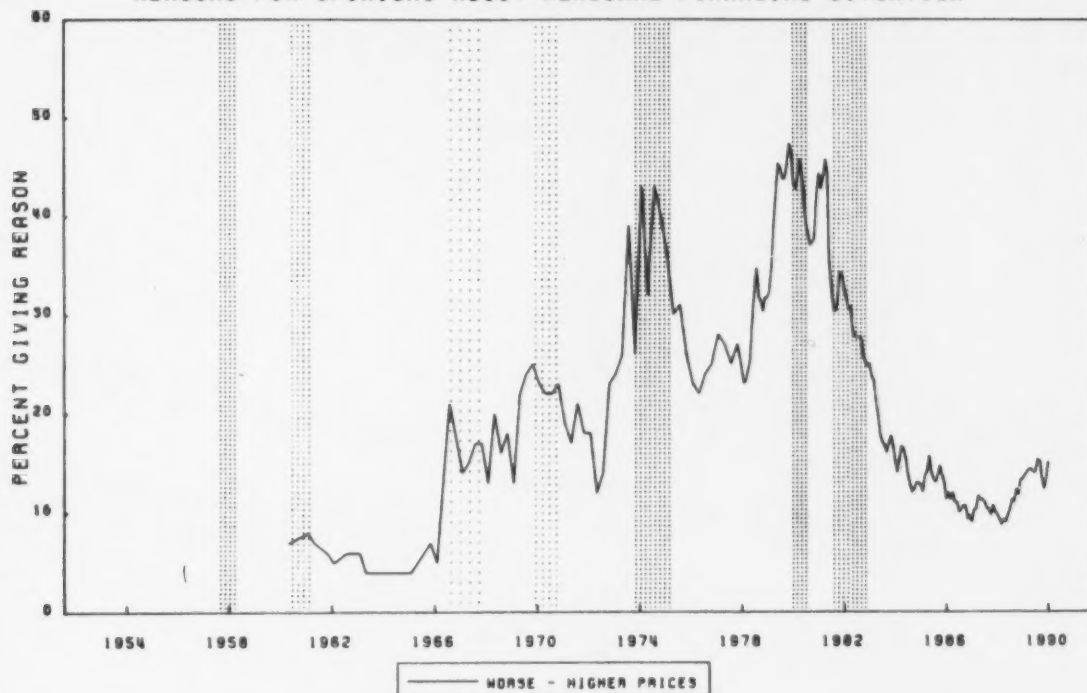


CHART 5B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

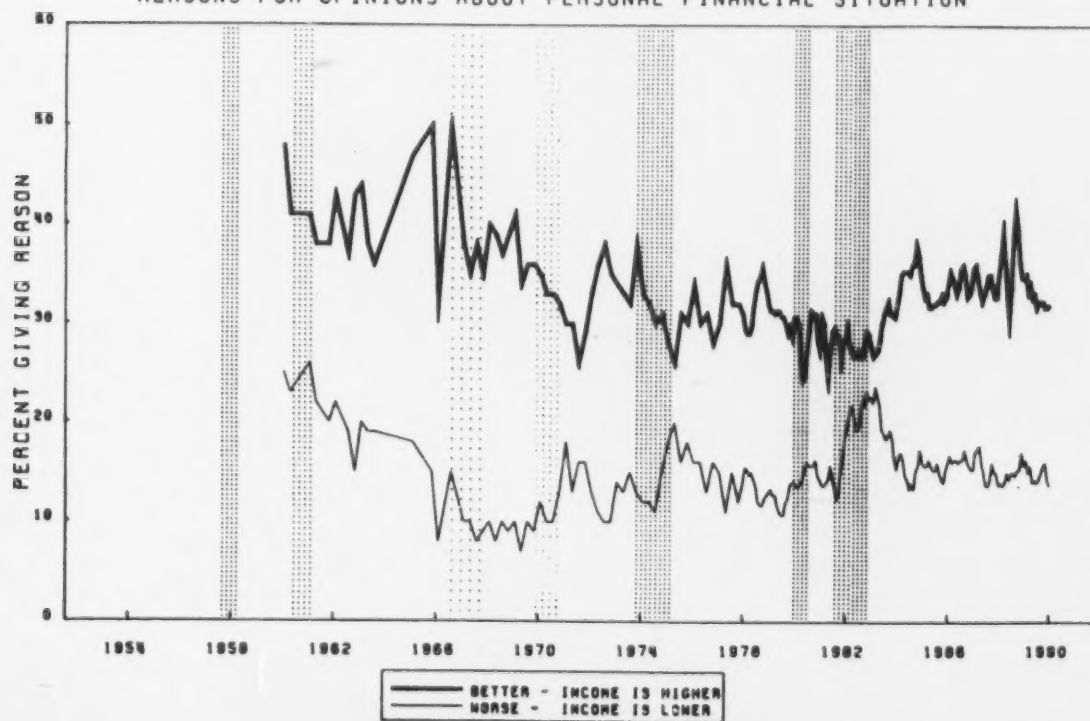


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990
BETTER OFF THAN YEAR AGO:													
Income is higher	34%	36%	30%	36%	32%	31%	32%	34%	31%	32%	32%	31%	33%
WORSE OFF THAN YEAR AGO:													
Income is lower	14	18	13	16	13	14	15	14	16	17	15	11	15
Higher prices	15	12	15	16	12	14	16	16	13	11	13	16	16

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

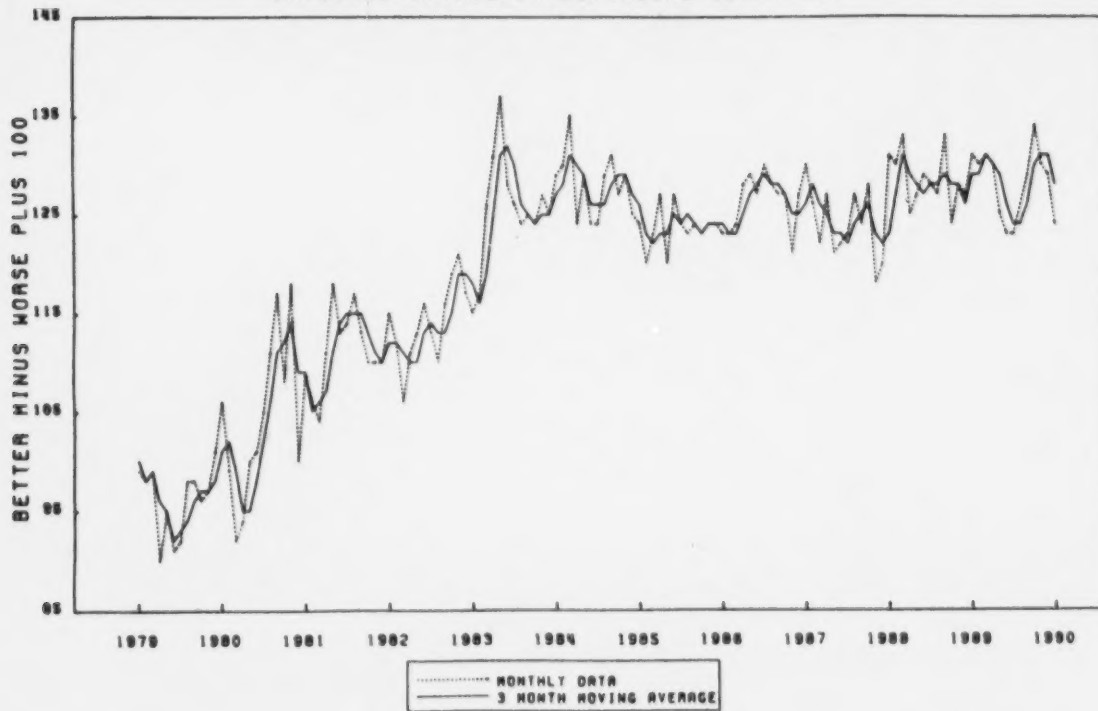


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

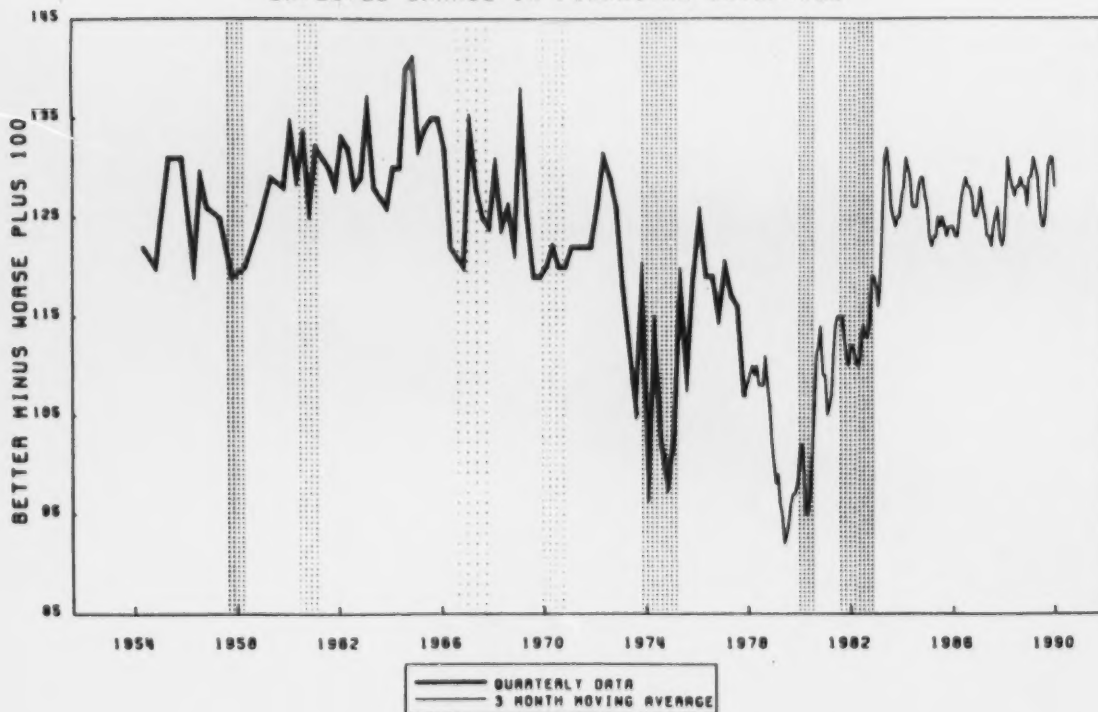


TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990
BETTER OFF	41%	40%	40%	41%	39%	34%	35%	37%	38%	41%	40%	37%	35%
SAME	47	46	49	46	45	52	50	49	49	47	48	50	51
WORSE OFF	10	10	9	11	14	11	12	11	9	7	10	8	11
DK,NA	2	4	2	2	2	3	3	3	4	5	2	5	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	500	502	500	503	507	501	502	506	500	502	500	500

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

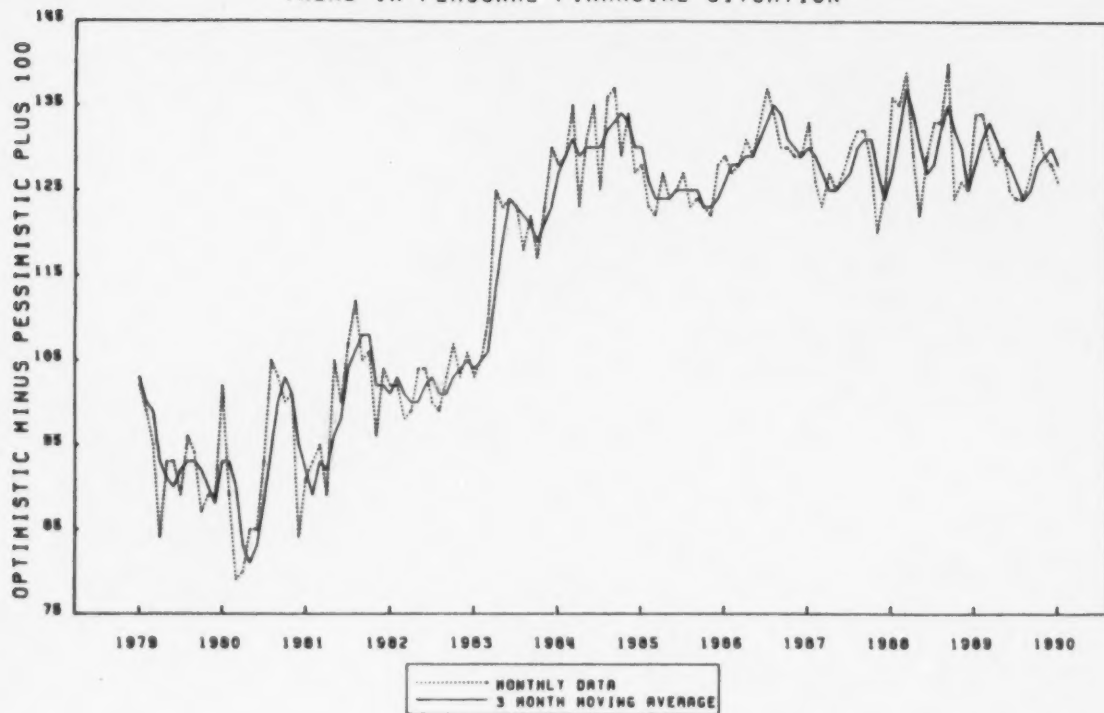


CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

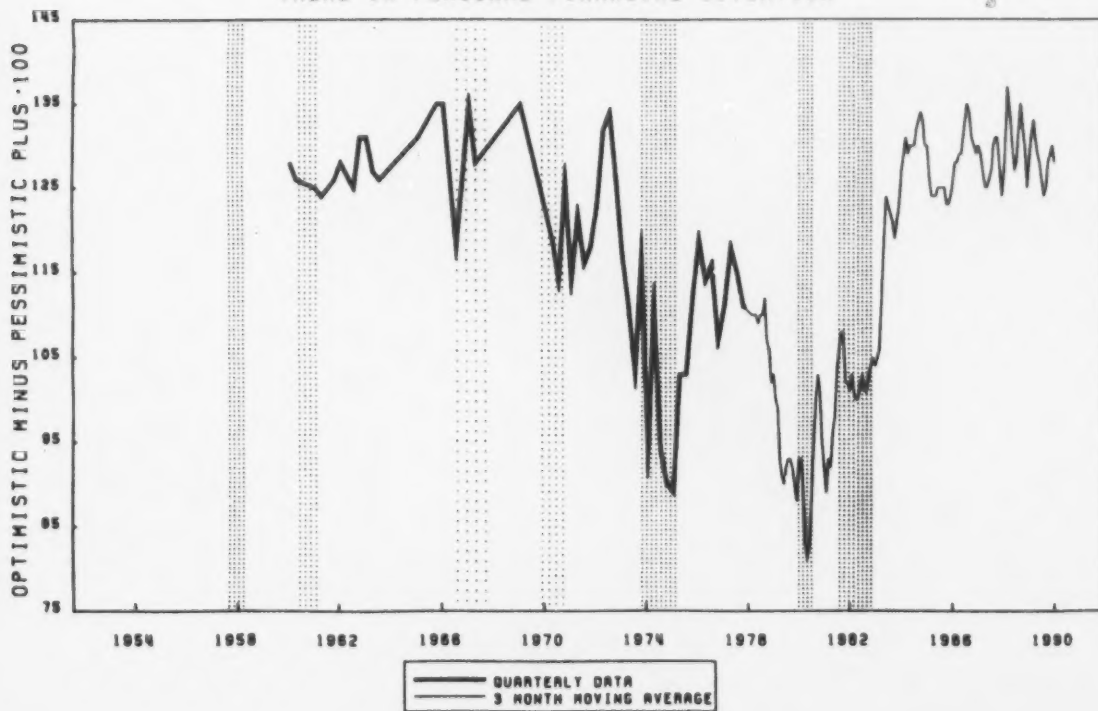


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	23%	22%	20%	21%	21%	16%	19%	20%	24%	22%	21%	19%	20%
Intermittant increase (b)	29	29	29	27	31	28	28	25	24	27	26	28	28
Remain unchanged (c)	18	17	18	17	14	22	18	20	19	17	20	18	17
Intermittant decline (d)	13	12	15	13	18	15	15	16	17	12	14	16	16
Continuous decline (e)	5	5	4	7	4	4	8	5	4	5	4	3	6
Mixed change (f)	10	11	12	13	9	11	9	10	8	11	13	11	9
DK,NA	2	4	2	2	3	4	3	4	4	6	2	5	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	500	502	500	503	507	501	502	506	500	502	500	500

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
 (b) Better/Same or Same/Better
 (c) Same/Same
 (d) Worse/Same or Same/Worse
 (e) Worse/Worse
 (f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
 MEDIAN EXPECTED CHANGE IN FAMILY INCOME

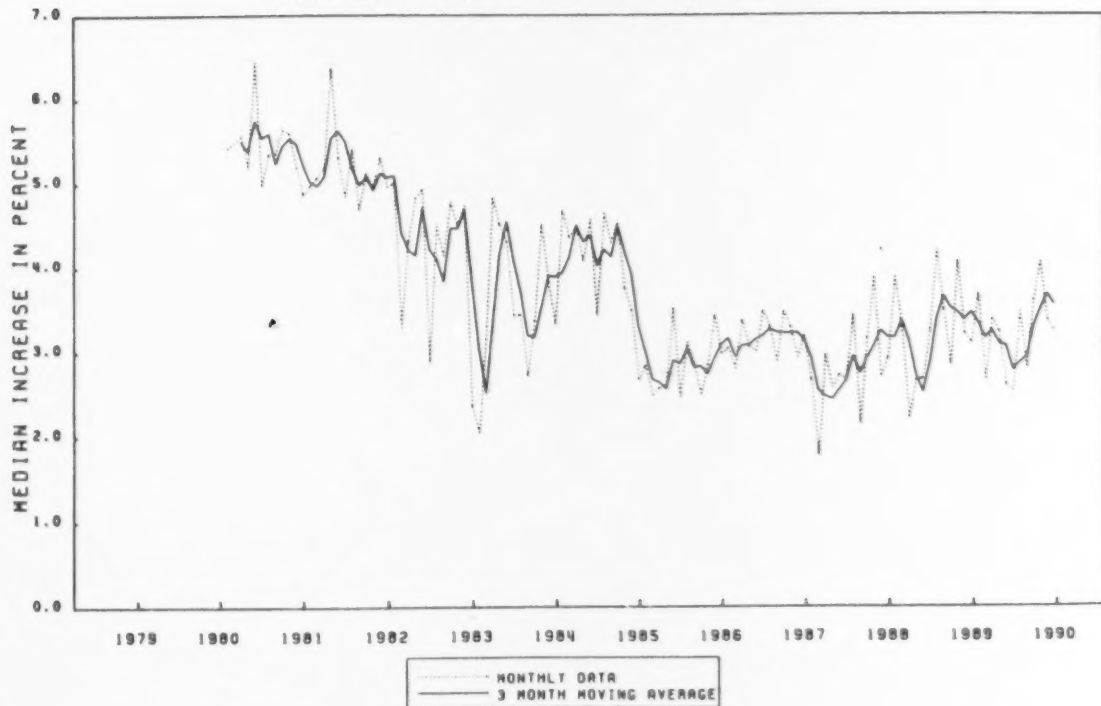


CHART 8 - HISTORICAL SERIES
 MEDIAN EXPECTED CHANGE IN FAMILY INCOME

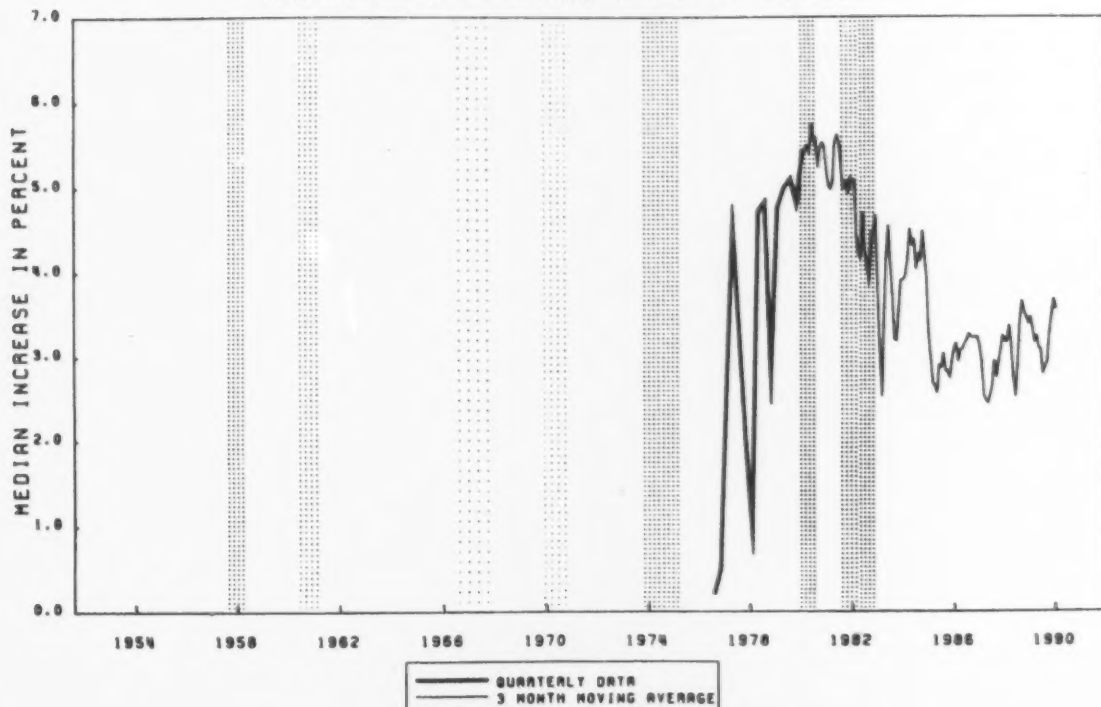


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990
EXPECT INCREASE:													
1-4%	15%	17%	16%	17%	16%	18%	15%	15%	16%	15%	23%	16%	18%
5%	9	15	10	12	9	11	9	13	10	12	13	12	13
6-9%	10	7	7	7	7	6	6	8	7	7	7	8	7
10-24%	14	15	14	15	17	14	16	17	15	14	16	13	14
25% or more	8	7	7	7	8	6	6	6	5	9	7	7	5
DK how much up	4	5	5	5	4	5	6	3	5	4	6	5	5
EXPECT SAME	27	22	27	23	26	27	31	26	25	25	19	26	25
EXPECT DOWN	13	11	14	12	12	12	10	12	15	12	9	12	11
DK, NA	*	1	*	2	1	1	1	*	2	2	*	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	500	502	500	503	507	501	502	506	500	502	500	500

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

* : Less than half of one percent.

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

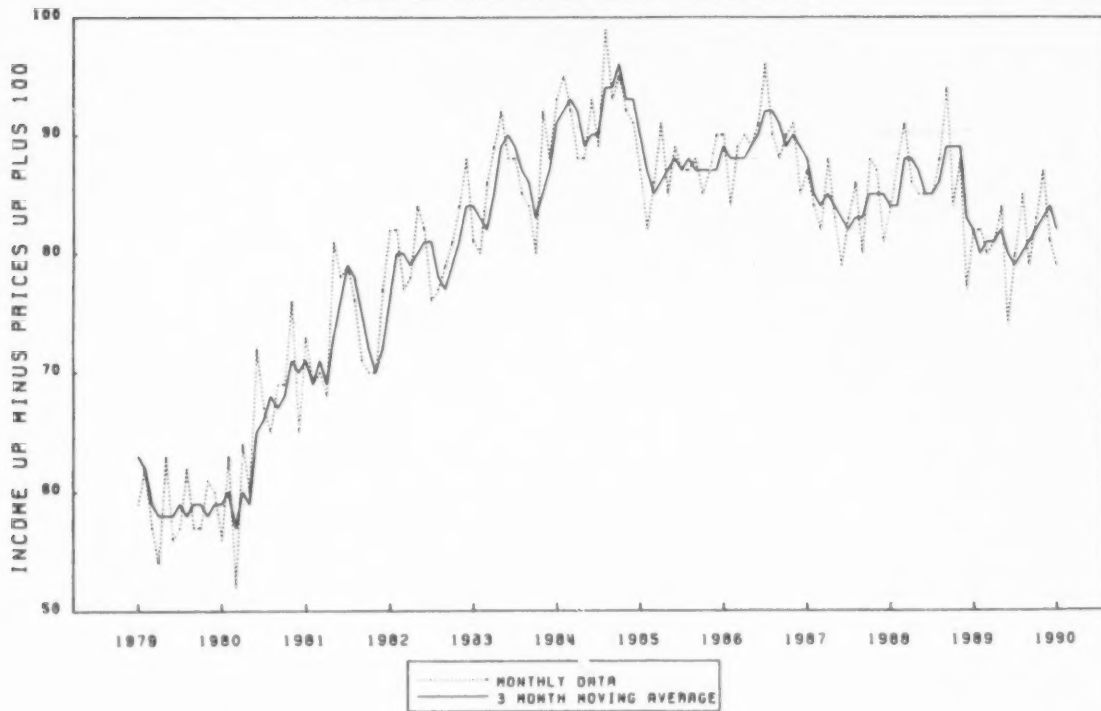


CHART 9 - HISTORICAL SERIES
INCOME OR PRICES UP MORE NEXT YEAR

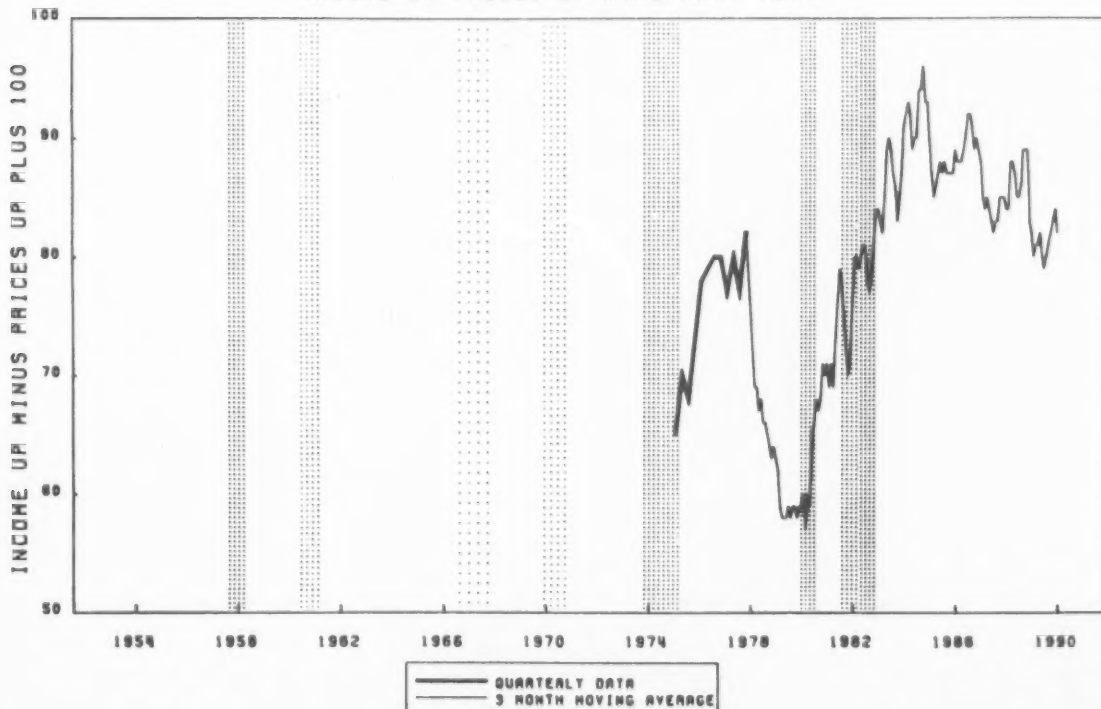


TABLE 9

EXPECTED CHANGE IN REAL FAMILY INCOME

	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990
INCOME UP MORE	19%	18%	17%	18%	22%	16%	19%	21%	19%	20%	22%	21%	17%
INCOME UP SAME	41	43	44	43	37	39	40	39	39	41	42	36	42
PRICES UP MORE	37	36	37	37	38	42	39	36	40	37	35	40	38
DK,NA	3	3	2	2	3	3	2	4	2	2	1	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	500	502	500	503	507	501	502	506	500	502	500	500

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 10 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

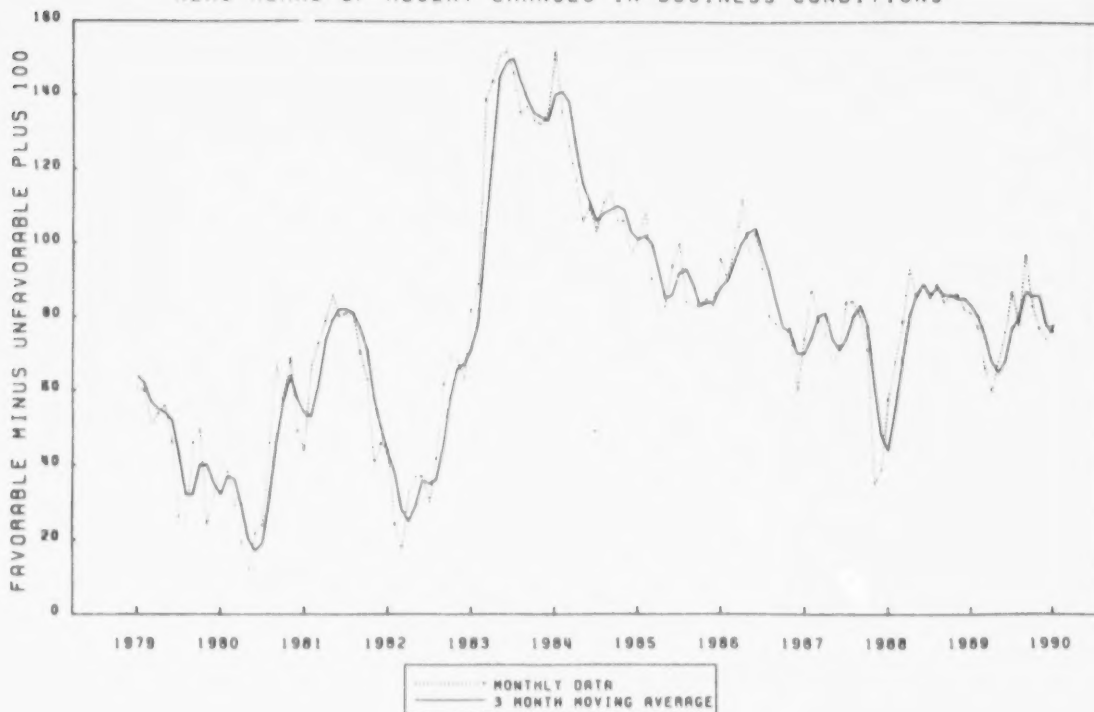


CHART 10 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

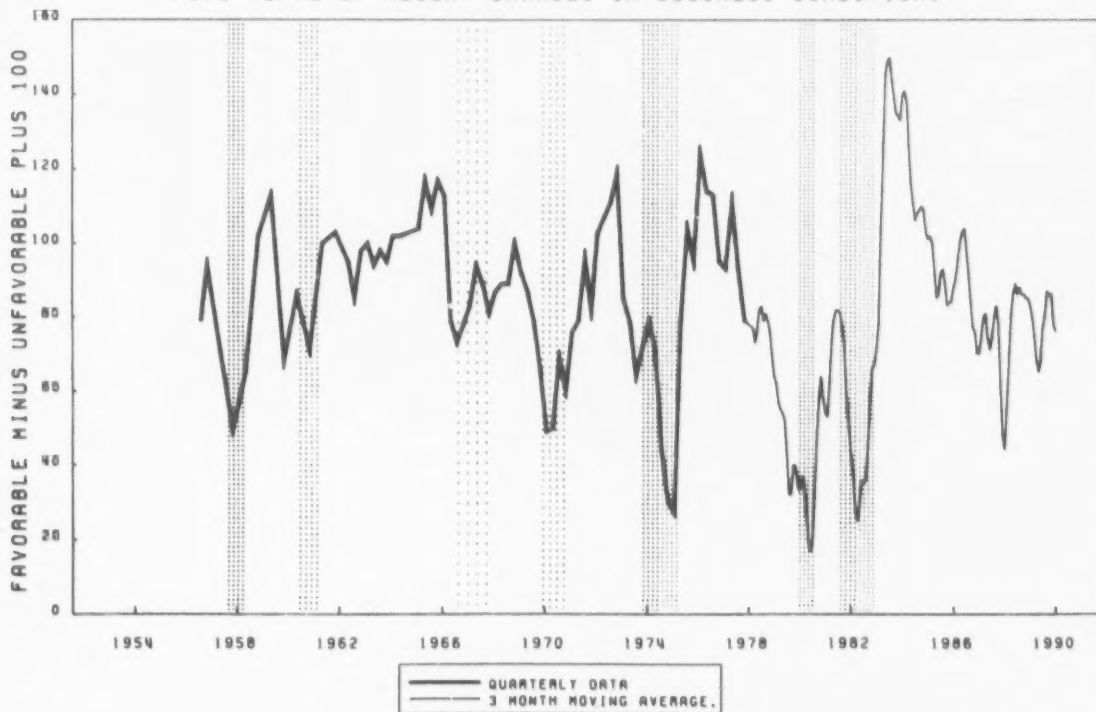


TABLE 10

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990
FAVORABLE NEWS	24%	27%	22%	18%	22%	23%	28%	23%	29%	24%	22%	24%	26%
UNFAVORABLE NEWS	43	50	56	58	54	47	41	45	32	41	45	50	48
NO MENTIONS	55	48	49	48	48	53	50	53	56	52	52	50	49

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 11A - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

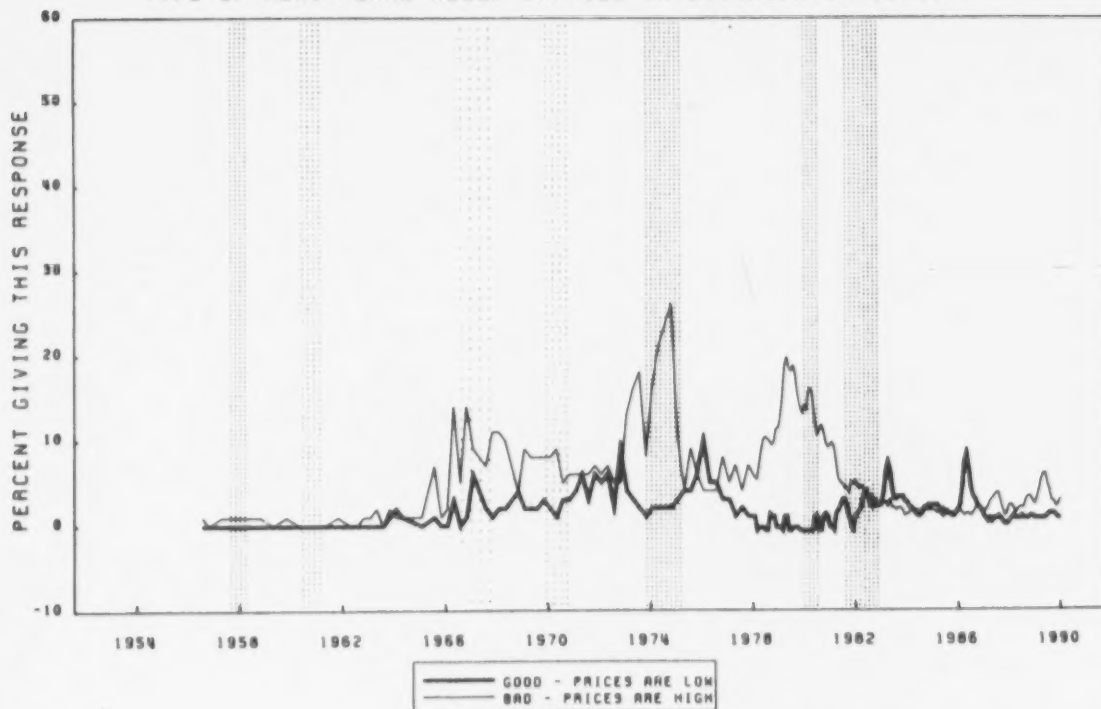


CHART 11B - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

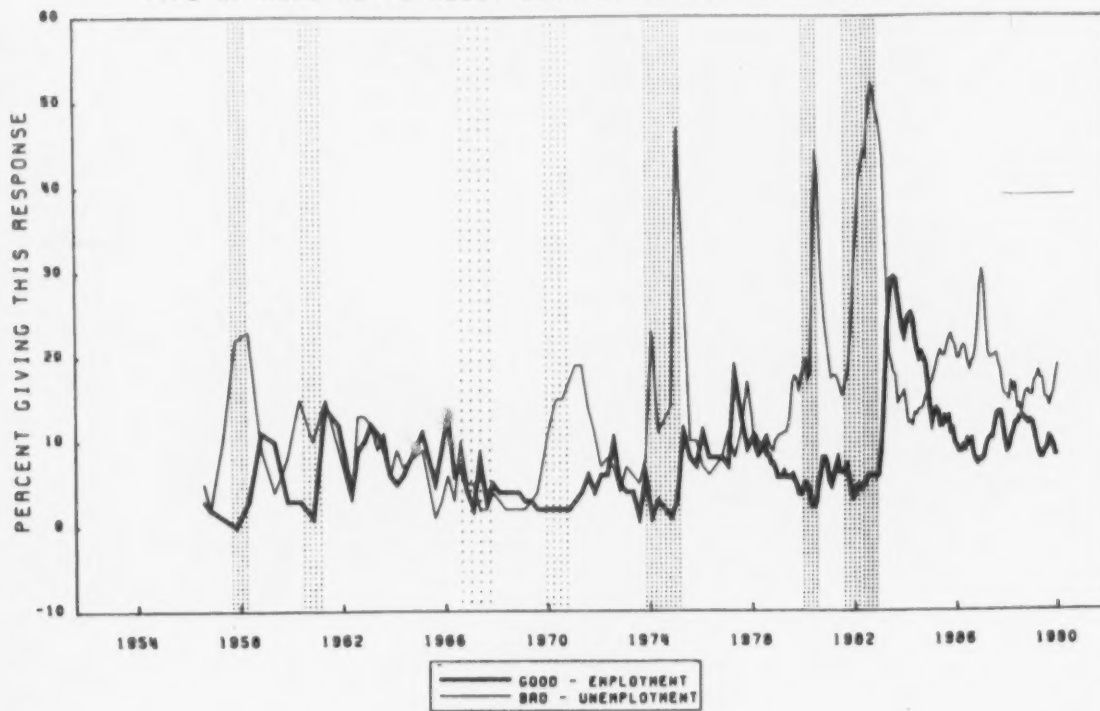


TABLE 11

SELECTED ITEMS OF
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990
FAVORABLE NEWS:													
Government; elections	2%	5%	3%	1%	1%	1%	*	2%	2%	1%	1%	3%	1%
Employment	11	10	8	8	8	8	10	9	12	9	7	9	9
Higher consumer demand	2	1	1	3	2	1	2	1	1	1	2	2	1
Lower prices	*	1	1	*	1	1	1	2	1	1	1	*	1
Easier credit	1	1	1	*	1	4	6	5	4	3	3	1	6
Stock market	2	1	1	1	2	2	2	1	3	2	2	2	2
Trade deficit	1	1	1	1	1	*	1	1	1	1	1	3	2
UNFAVORABLE NEWS:													
Government; elections	7	7	5	4	4	4	5	3	4	2	3	5	3
Unemployment	17	18	17	20	15	17	13	15	14	16	17	19	21
Lower consumer demand	2	4	3	2	4	3	3	3	2	2	5	6	5
Higher prices	2	4	6	6	6	6	2	4	2	2	2	3	4
Tighter credit	4	5	10	12	10	5	3	2	1	1	1	2	1
Stock market	1	1	2	2	2	1	1	1	1	7	6	2	2
Trade deficit	2	3	3	3	2	3	5	3	2	2	2	5	2

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 12 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

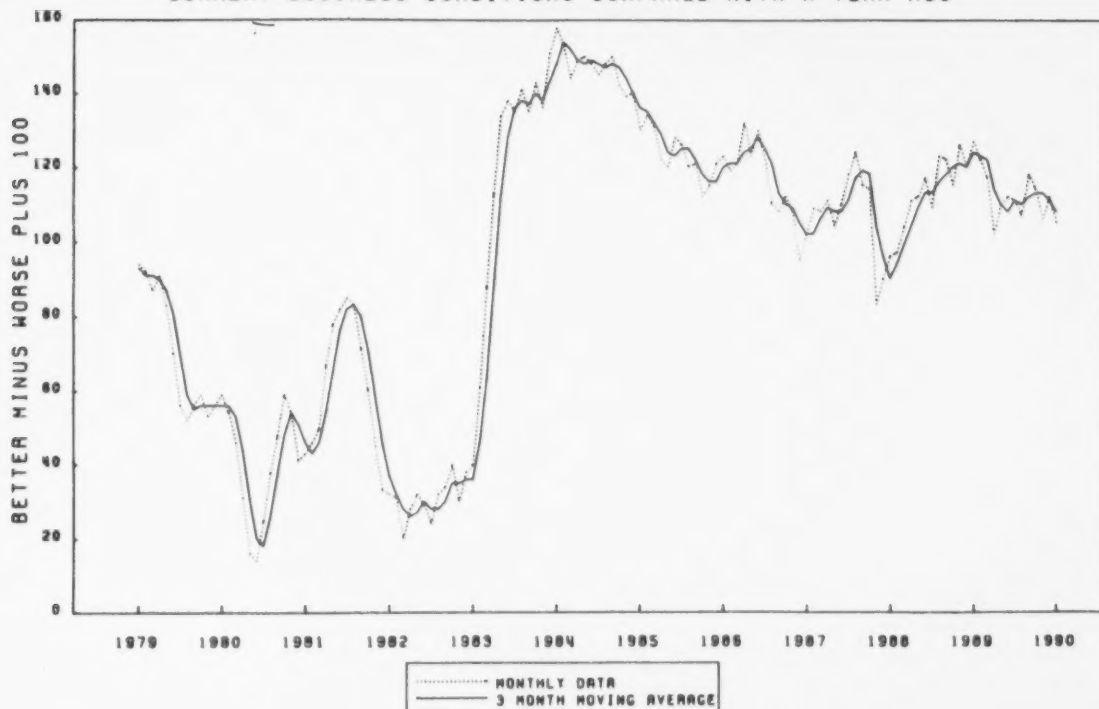


CHART 12 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

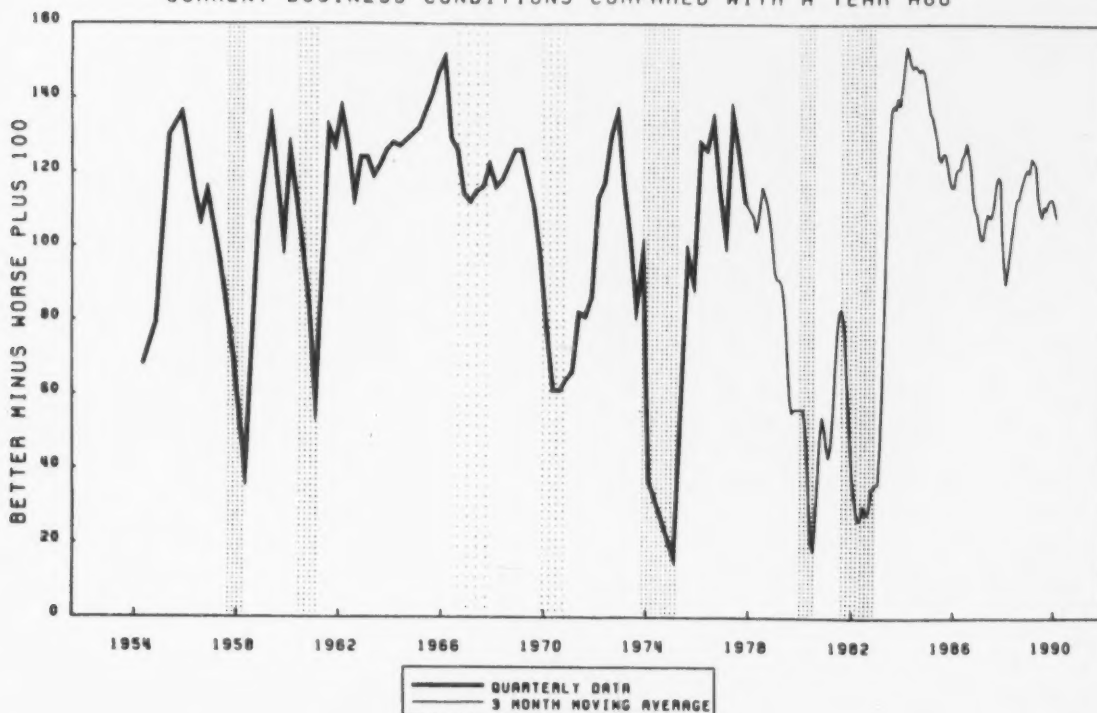


TABLE 12

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990
BETTER NOW	53%	48%	47%	41%	44%	45%	43%	42%	48%	47%	42%	45%	43%
SAME	19	22	22	18	19	18	22	21	19	19	19	19	16
WORSE NOW	26	26	30	39	34	33	32	35	30	33	36	33	38
DK, NA	2	4	1	2	3	4	3	2	3	1	3	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	500	502	500	503	507	501	502	506	500	502	500	500

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 13 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR



CHART 13 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

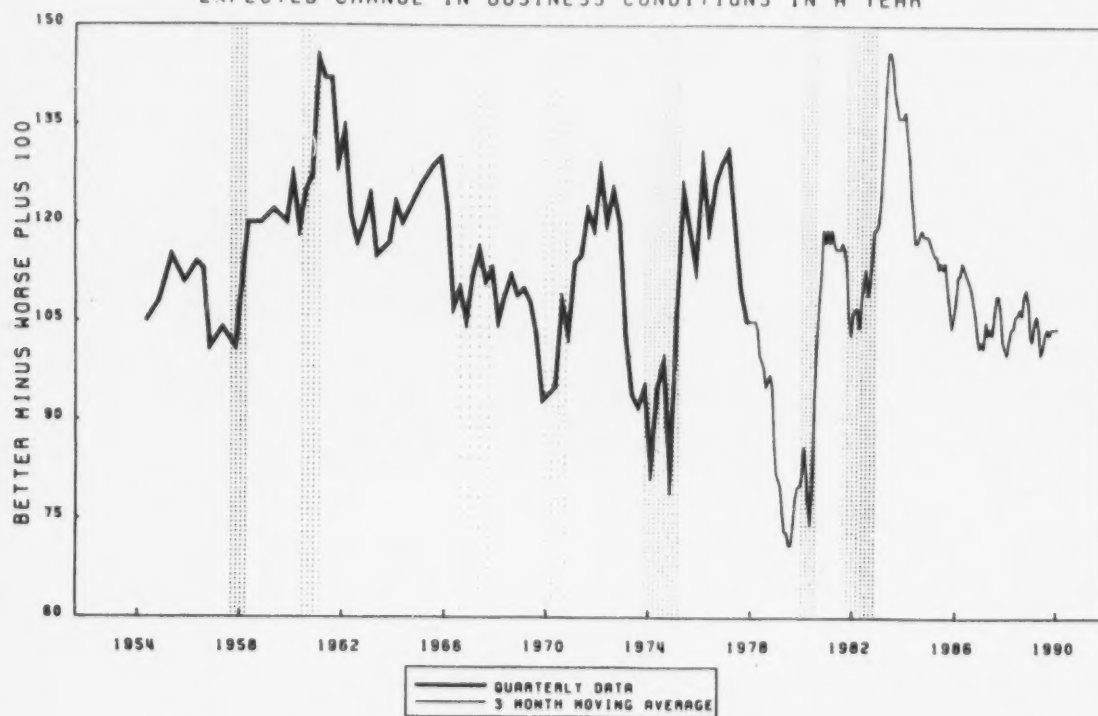


TABLE 13

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990
BETTER	23%	26%	22%	20%	19%	24%	20%	18%	21%	22%	18%	24%	22%
SAME	56	54	59	57	56	57	63	60	59	61	61	55	59
WORSE	17	17	18	21	22	17	14	19	16	15	18	18	17
DK,NA	4	3	1	2	3	2	3	3	4	2	3	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	500	502	500	503	507	501	502	506	500	502	500	500

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

CHART 14 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

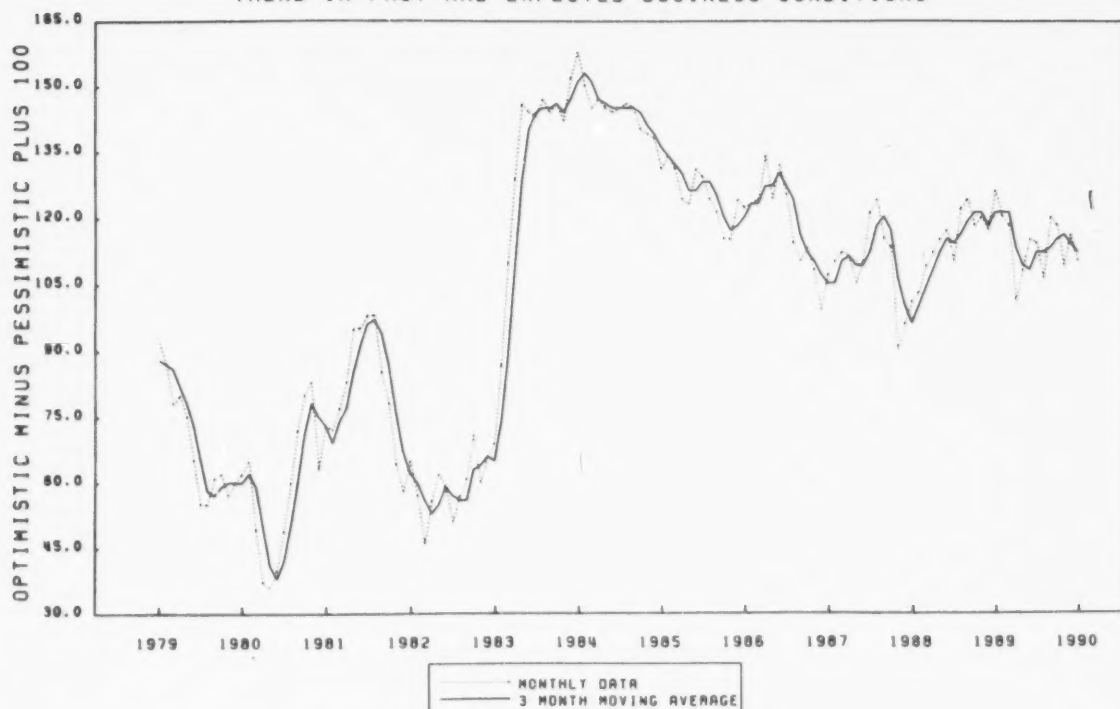


CHART 14 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

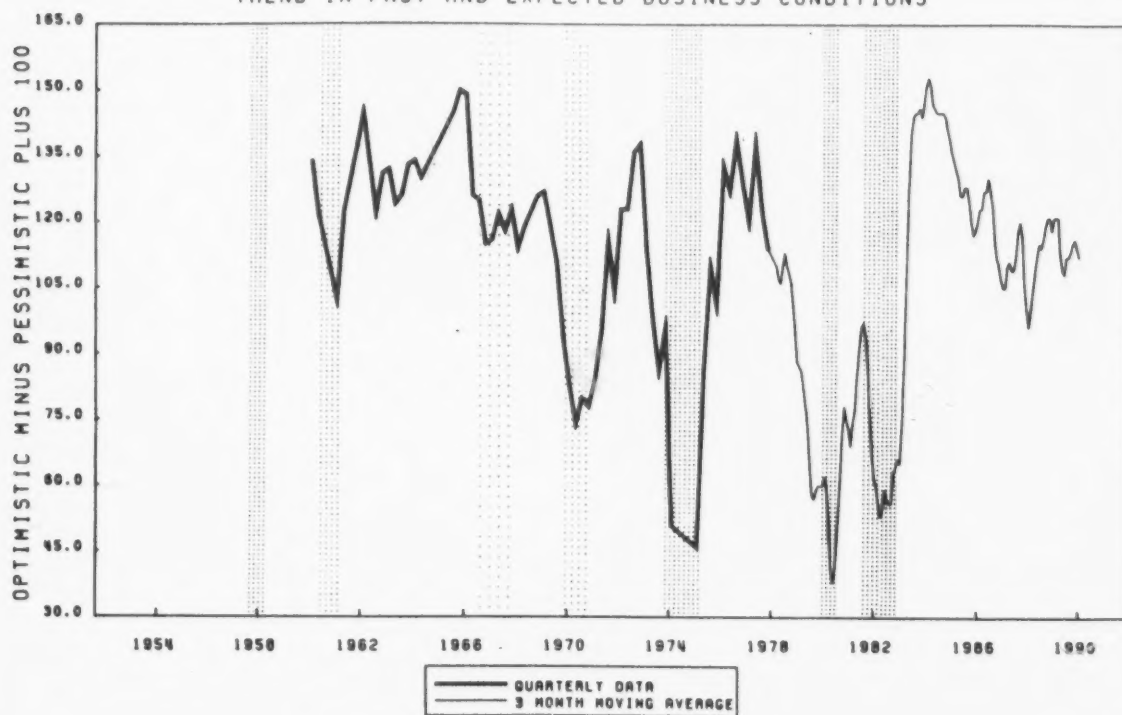


TABLE 14

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990
TREND:													
Continuous increase (a)	16%	18%	12%	14%	13%	15%	14%	11%	14%	15%	10%	15%	14%
Intermittant increase (b)	34	28	33	24	29	30	30	29	34	33	32	29	29
Remain unchanged (c)	11	13	16	13	12	12	16	14	12	13	13	13	12
Intermittant decline (d)	16	21	16	24	20	18	20	22	18	19	21	16	20
Continuous decline (e)	8	5	11	13	14	12	10	12	10	11	12	12	13
Mixed change (f)	9	10	9	8	7	6	4	7	6	5	6	10	8
DK,NA	6	5	3	4	5	7	6	5	6	4	6	5	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES													
	501	500	502	500	503	507	501	502	506	500	502	500	500

Combination of the responses to the questions on Tables 12 and 13.

Key: (a) Better than a year ago/Better a year from now
 (b) Better/Same or Same/Better
 (c) Same/Same
 (d) Worse/Same or Same/Worse
 (e) Worse/Worse
 (f) Worse/Better or Better/Worse

CHART 15 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS



CHART 15 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

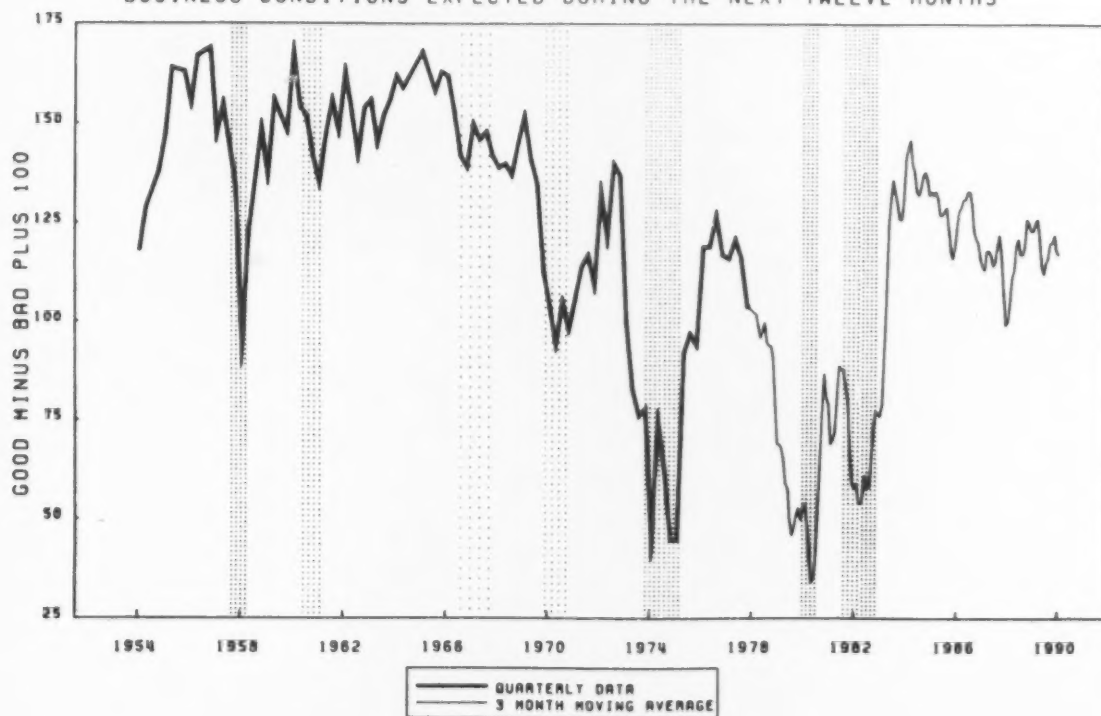


TABLE 15

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept. 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990
GOOD TIMES	56%	56%	55%	49%	46%	48%	53%	46%	55%	53%	50%	49%	52%
UNCERTAIN; GOOD & BAD	4	3	4	3	4	5	4	6	4	5	4	2	3
BAD TIMES	28	28	32	36	39	33	29	37	28	29	34	34	33
DON'T KNOW	7	9	5	6	6	9	7	4	6	8	7	7	6
NOT ASCERTAINED	5	4	4	6	5	5	7	7	7	5	5	8	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	500	502	500	503	507	501	502	506	500	502	500	500

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 16 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS



CHART 16 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

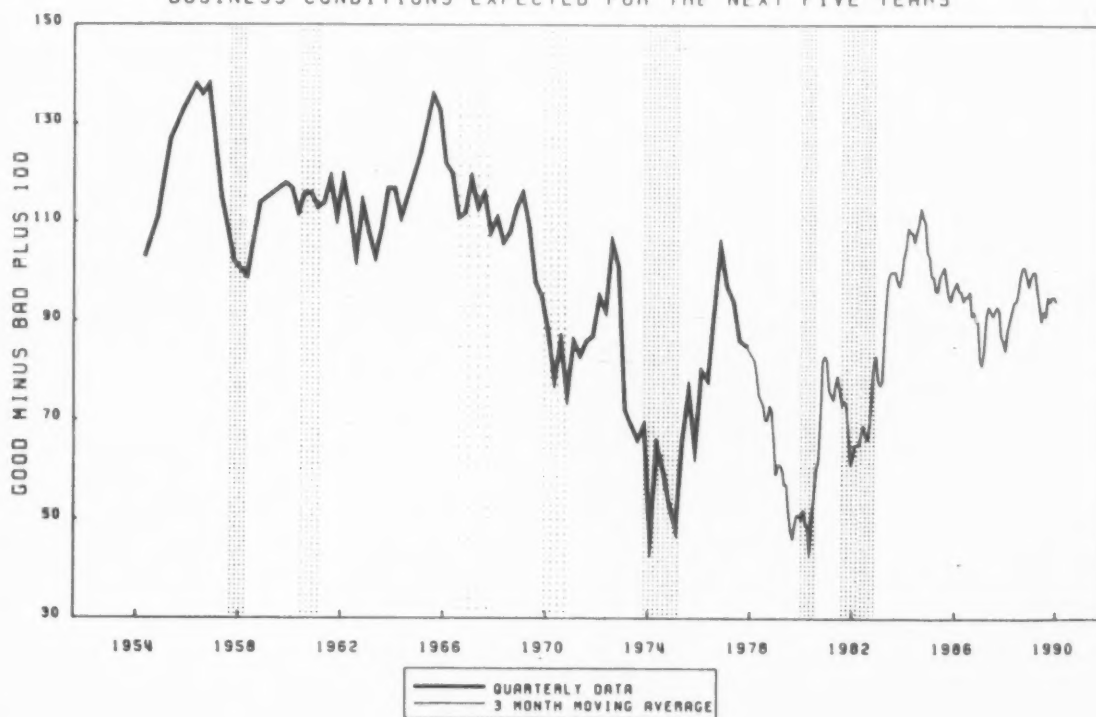


TABLE 16

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990
GOOD TIMES	45%	41%	40%	37%	36%	37%	39%	33%	41%	36%	38%	39%	37%
UNCERTAIN; GOOD & BAD	9	12	14	13	13	12	13	13	13	14	13	15	12
BAD TIMES	42	42	42	46	47	47	43	45	40	43	46	40	45
NOT ASCERTAINED	4	5	4	4	4	4	5	9	6	7	3	6	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	500	502	500	503	507	501	502	506	500	502	500	500

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 17 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT



CHART 17 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

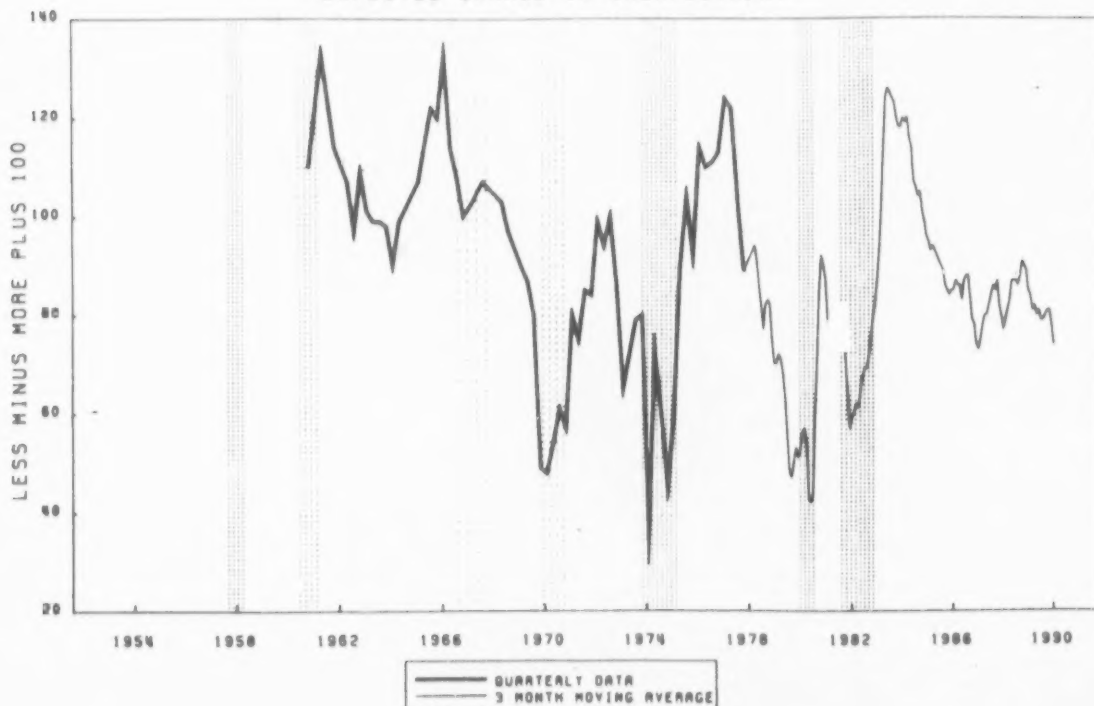


TABLE 17

EXPECTED CHANGE IN UNEMPLOYMENT

	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990
LESS	15%	13%	12%	14%	12%	10%	11%	10%	11%	14%	10%	11%	10%
SAME	50	55	53	55	52	59	57	54	61	55	54	51	52
MORE	34	30	33	29	35	29	31	35	26	30	35	37	36
DK,NA	1	2	2	2	1	2	1	1	2	1	1	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	500	502	500	503	507	501	502	506	500	502	500	500

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

CHART 18 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

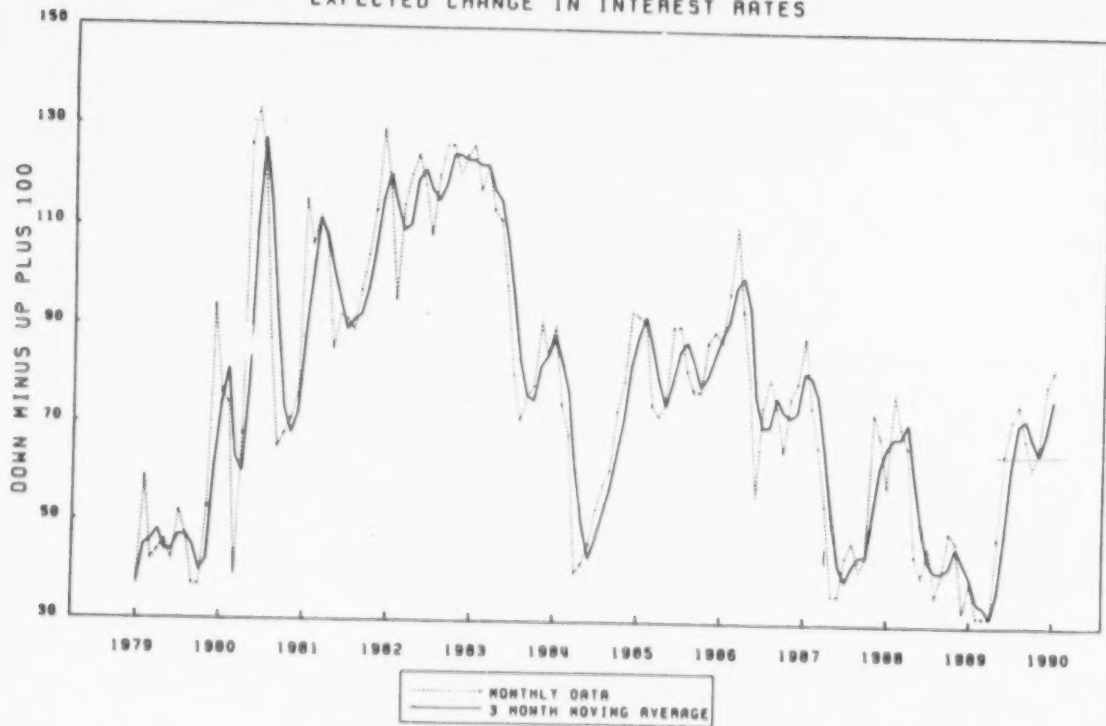


CHART 18 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

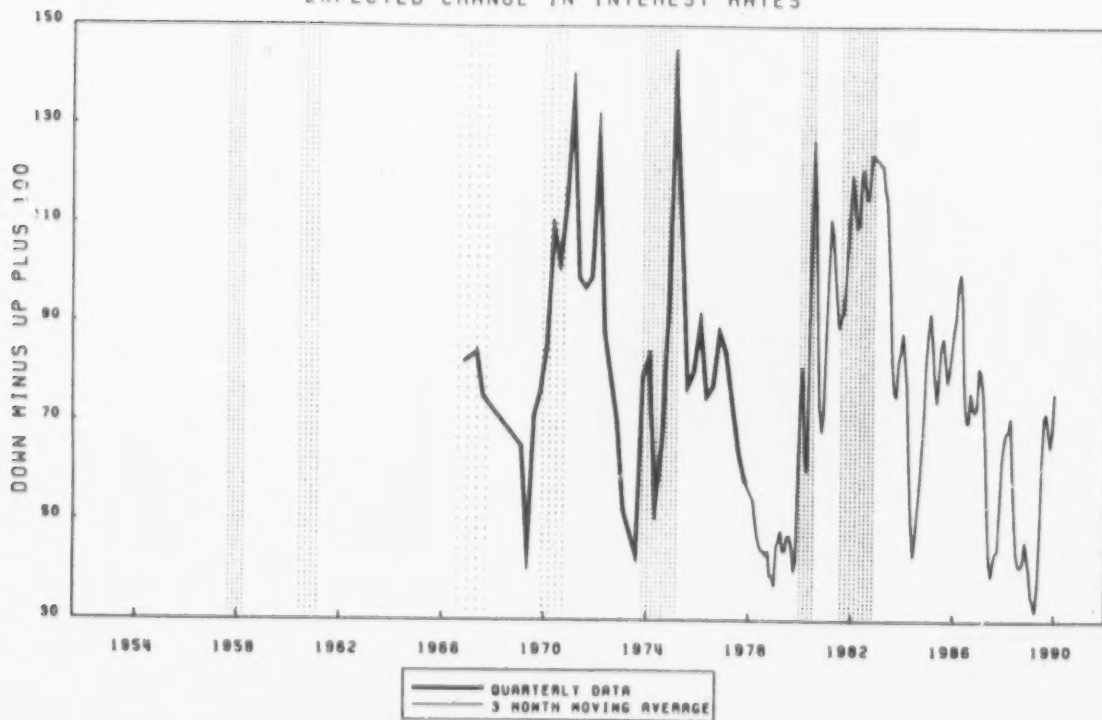


TABLE 18

EXPECTED CHANGE IN INTEREST RATES

	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990
GO UP	68%	75%	73%	75%	64%	54%	51%	49%	50%	55%	52%	46%	45%
STAY THE SAME	23	16	20	17	20	24	25	24	30	26	27	26	26
GO DOWN	7	7	5	7	12	19	23	24	18	17	18	25	27
DK,NA	2	2	2	1	4	3	1	3	2	2	3	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	500	502	500	503	507	501	502	506	500	502	500	500

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 19 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS



CHART 19 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

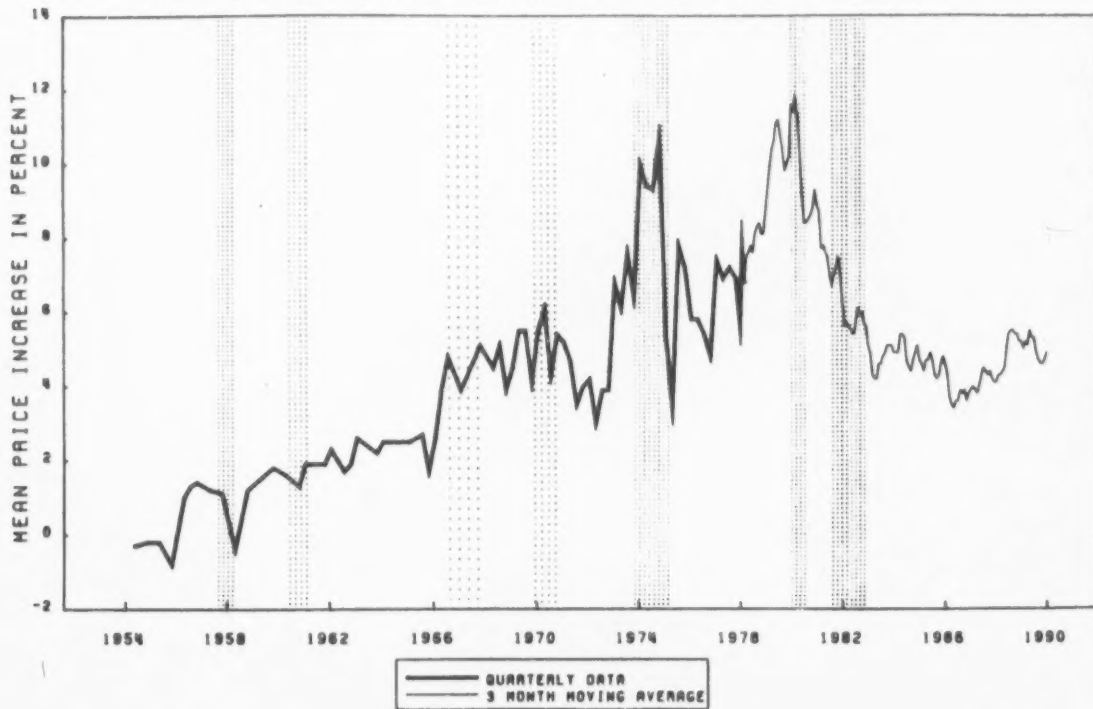


TABLE 19

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990
SAME OR DOWN	10%	11%	12%	8%	10%	10%	10%	13%	13%	12%	12%	10%	11%
WILL GO UP BY:													
1-2%	20	15	18	17	16	18	18	18	21	19	17	21	14
3-4%	23	24	23	23	19	24	21	23	24	23	26	21	24
5%	19	22	17	21	23	19	22	21	21	19	19	23	21
6-9%	9	10	9	10	9	9	9	6	6	9	7	10	8
10-14%	7	8	9	10	11	10	8	9	6	8	8	5	10
15% or more	6	4	7	5	7	5	5	3	3	3	4	5	5
DK how much up	5	5	4	6	4	5	6	6	5	5	6	5	5
DK, NA	1	1	1	*	1	*	1	1	1	2	1	*	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	5.1	4.8	5.6	5.0	5.8	5.0	5.1	4.7	4.4	4.7	4.7	4.6	5.4
VARIANCE	41	29	64	24	49	34	39	42	32	32	31	28	49
CASES	501	500	502	500	503	507	501	502	506	500	502	500	500

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 20 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

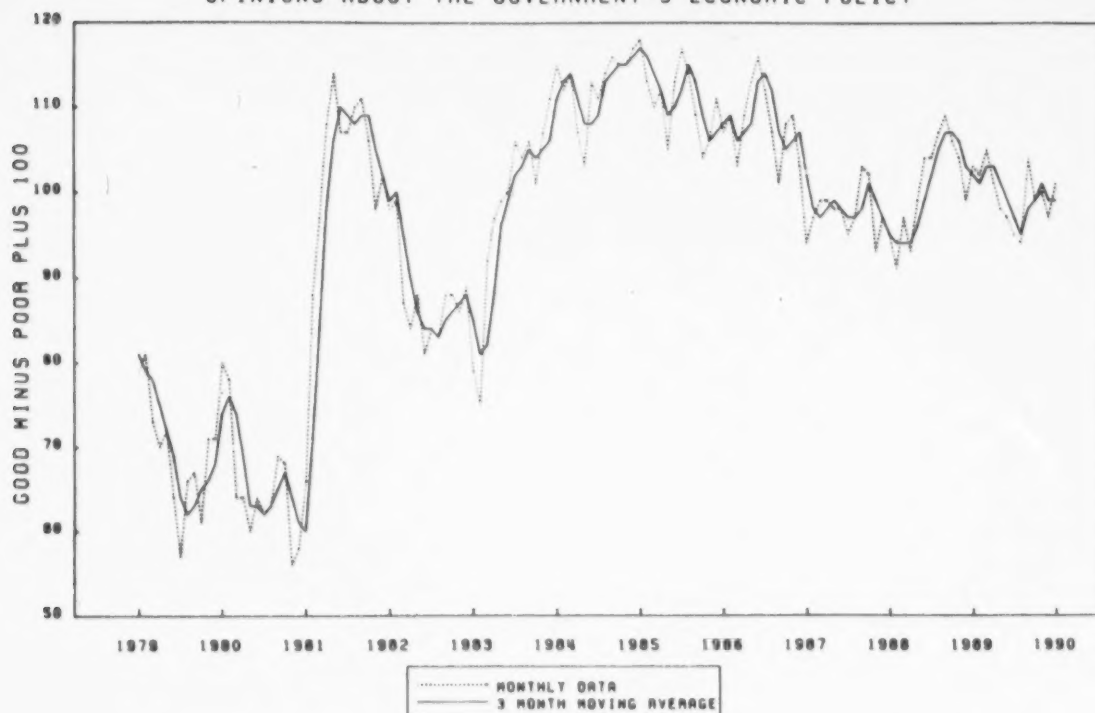


CHART 20 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

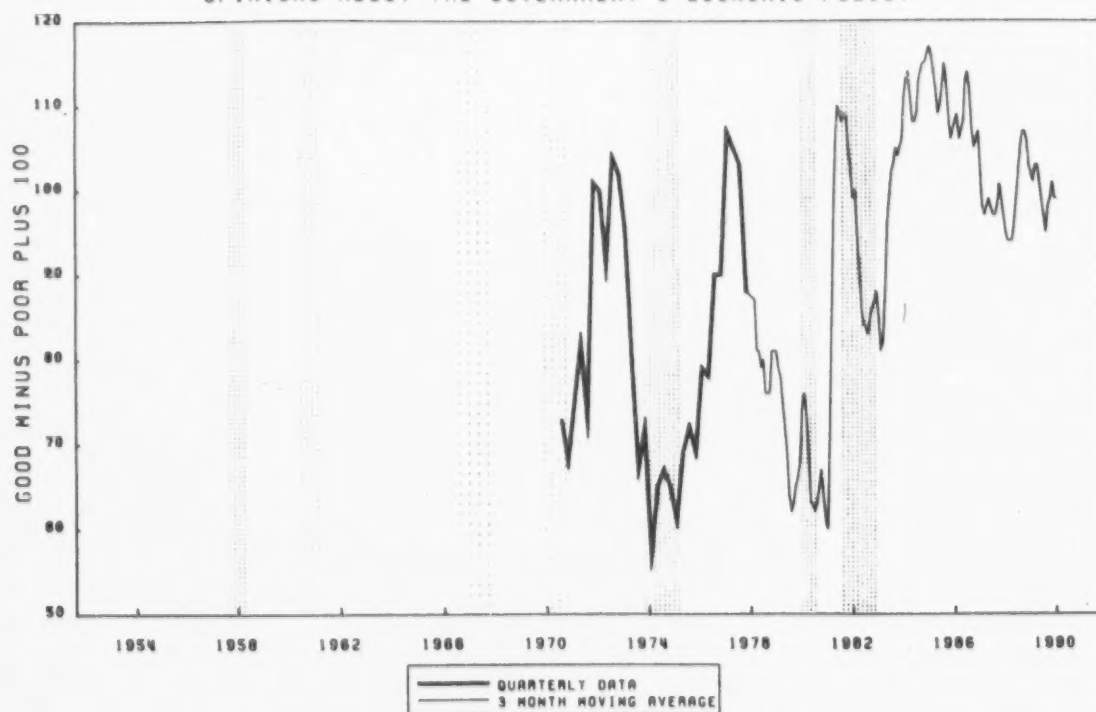


TABLE 20

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990
A GOOD JOB	27%	23%	25%	19%	19%	20%	18%	18%	21%	18%	17%	20%	18%
ONLY FAIR	48	51	52	59	57	55	56	56	60	61	64	55	63
A POOR JOB	24	21	20	18	21	23	23	24	17	19	17	23	17
DK,NA	1	5	3	4	3	2	3	2	2	2	2	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	500	502	500	503	507	501	502	506	500	502	500	500

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 21 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

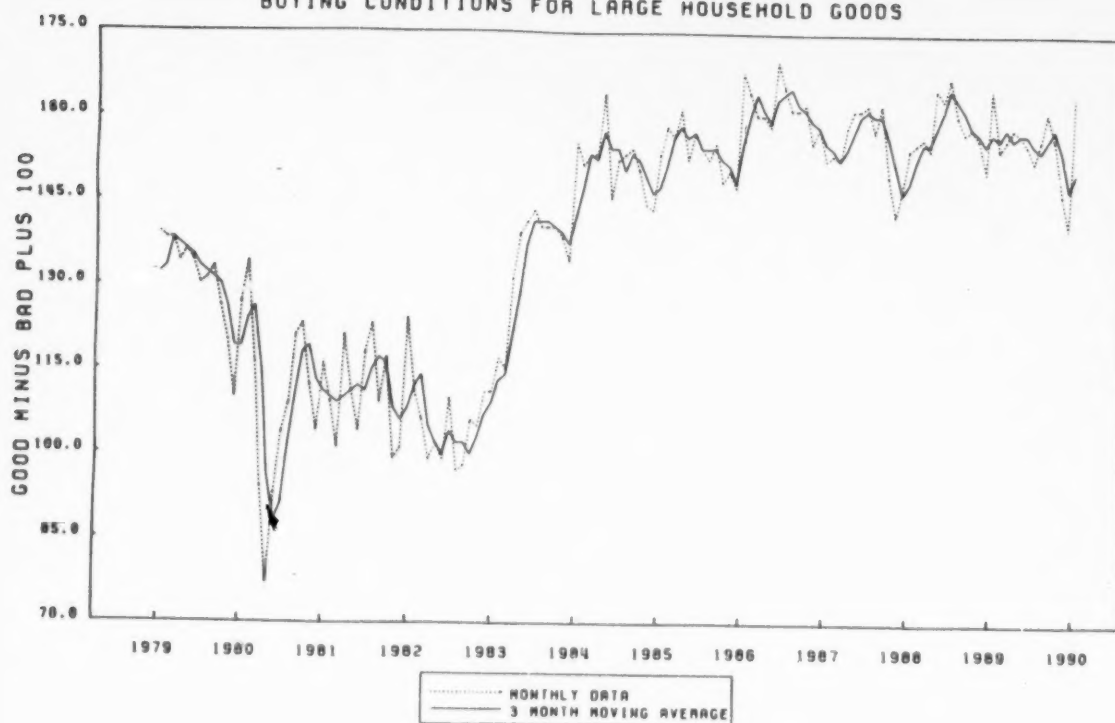


CHART 21 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

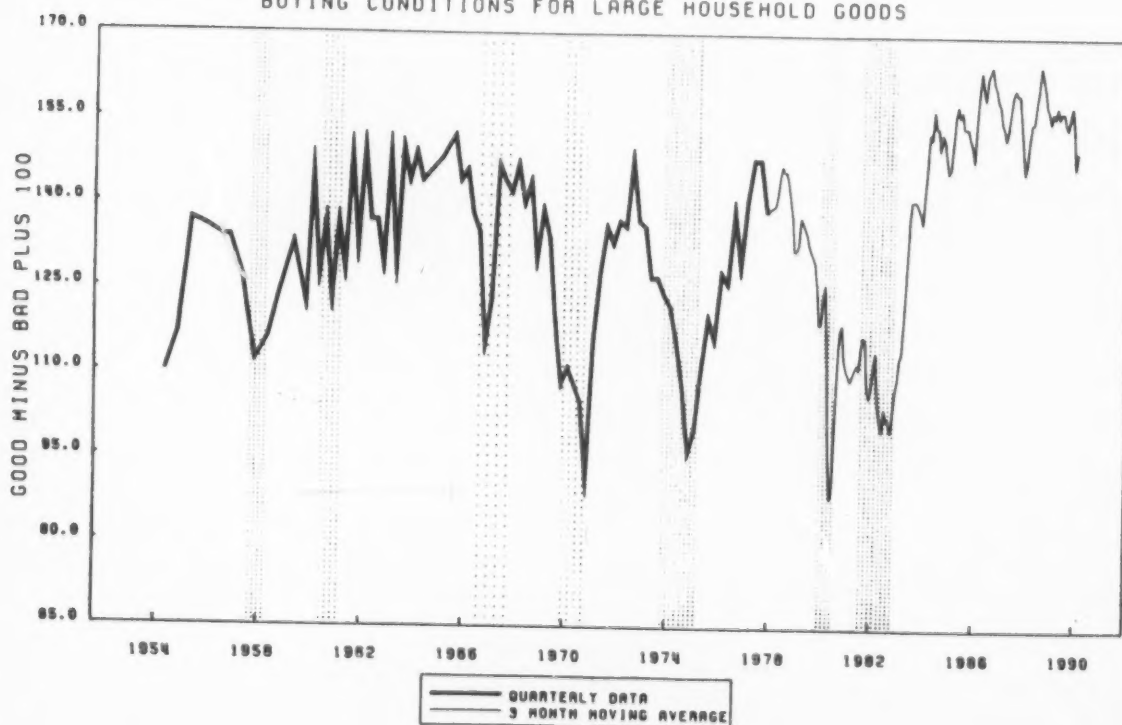


TABLE 21

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990
GOOD TIME TO BUY	78%	71%	72%	75%	73%	71%	71%	73%	75%	73%	67%	65%	77%
UNCERTAIN, DEPENDS	9	12	12	8	11	13	10	10	11	10	12	10	10
BAD TIME TO BUY	13	17	16	17	16	16	19	17	14	17	21	25	13
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	500	502	500	503	507	501	502	506	500	502	500	500

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 22A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

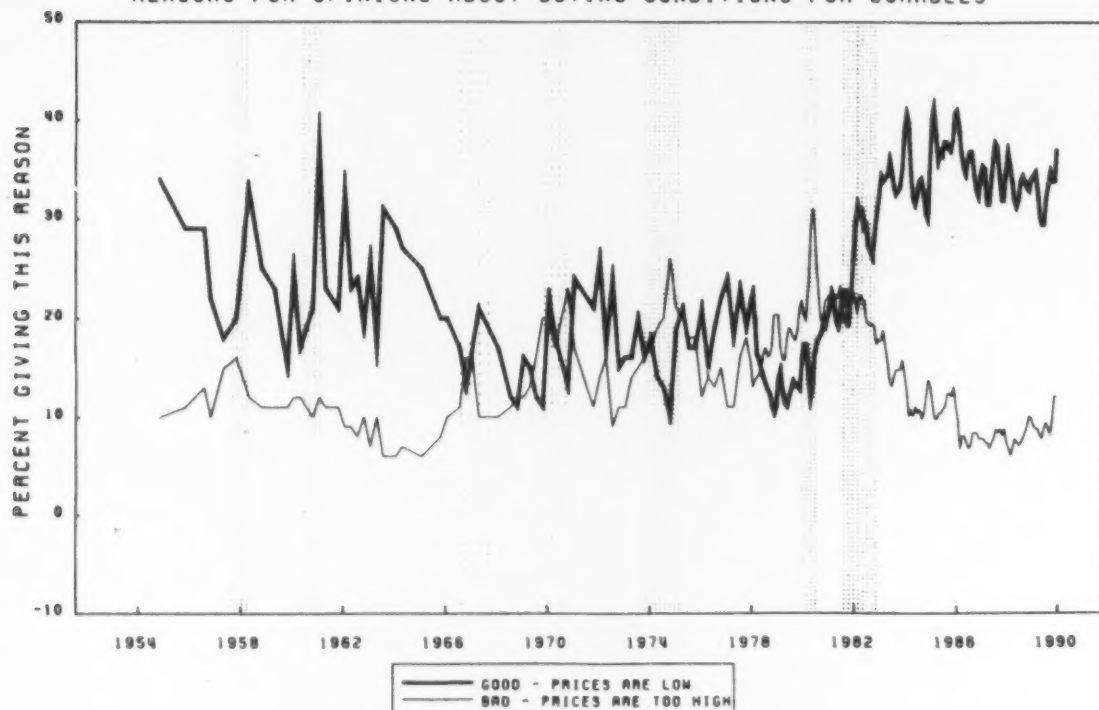


CHART 22B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

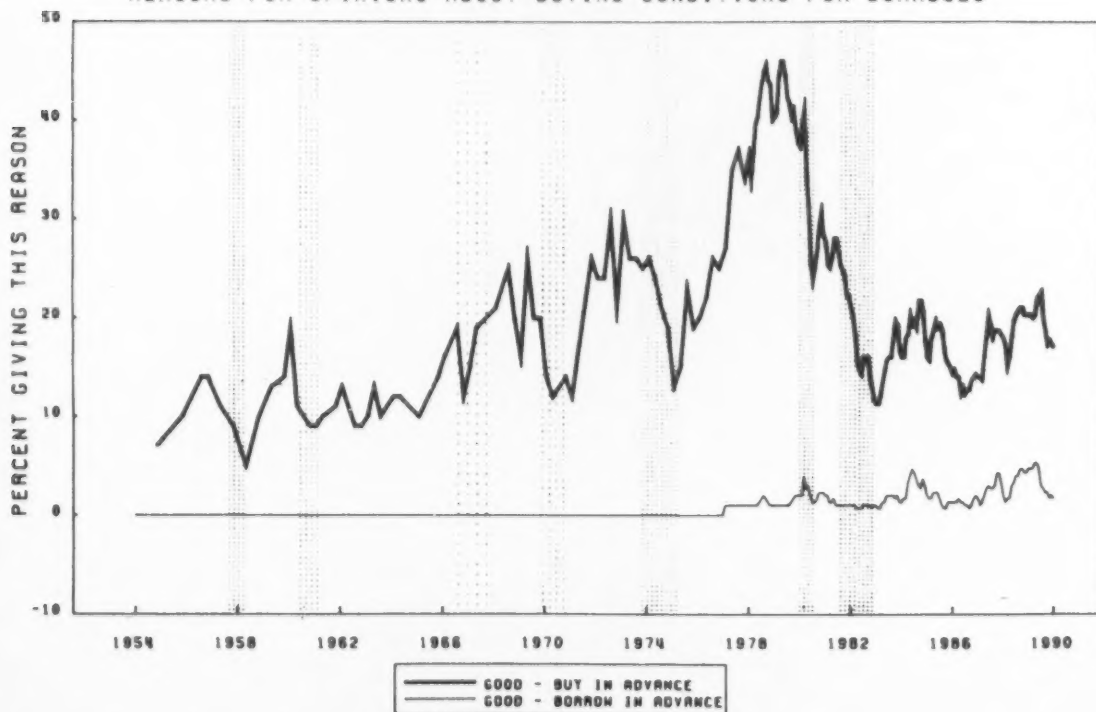


TABLE 22

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept. 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990
--	-----------	-----------	-----------	-----------	----------	-----------	-----------	-----------	------------	-----------	-----------	-----------	-----------

GOOD TIME TO BUY:

Prices are low; good buys available	36%	35%	33%	31%	27%	30%	31%	35%	34%	35%	32%	34%	45%
Prices won't come down; are going higher	21	19	20	22	24	21	23	16	17	19	17	16	18
Interest rates are low	5	4	6	4	5	5	7	7	7	5	7	5	5
Borrow-in-advance of rising interest rates	5	4	5	7	4	3	2	3	2	2	1	3	1
Times are good; prosperity	7	9	7	8	6	6	5	2	8	6	4	3	4

BAD TIME TO BUY:

Prices are high	7	9	10	7	7	9	10	9	7	8	14	14	8
Interest rates are high; credit is tight	2	5	5	8	5	6	4	4	2	3	3	4	2
Times are bad; can't afford to buy	4	5	4	4	4	3	3	2	4	4	5	5	2
Bad times ahead; uncertain future	3	3	1	2	3	3	3	3	2	2	1	3	2

Responses to the query: "Why do you say so?" following the question on Table 21.
+ : May add to more than 100% due to multiple mentions.

CHART 22C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

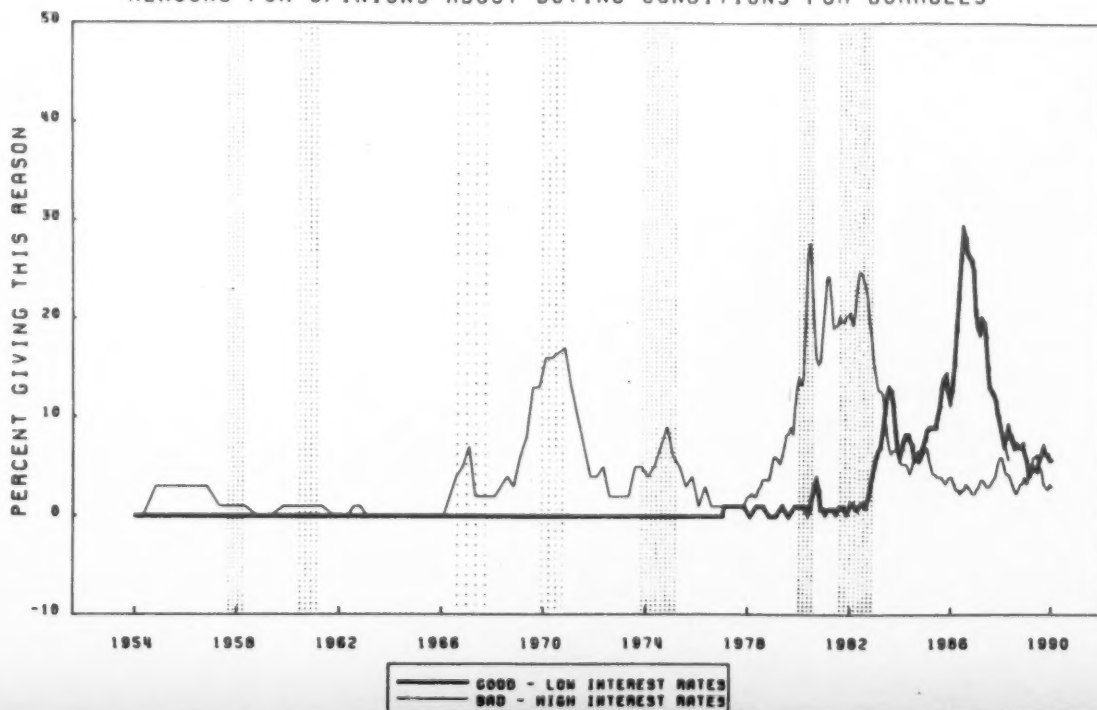


CHART 23 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

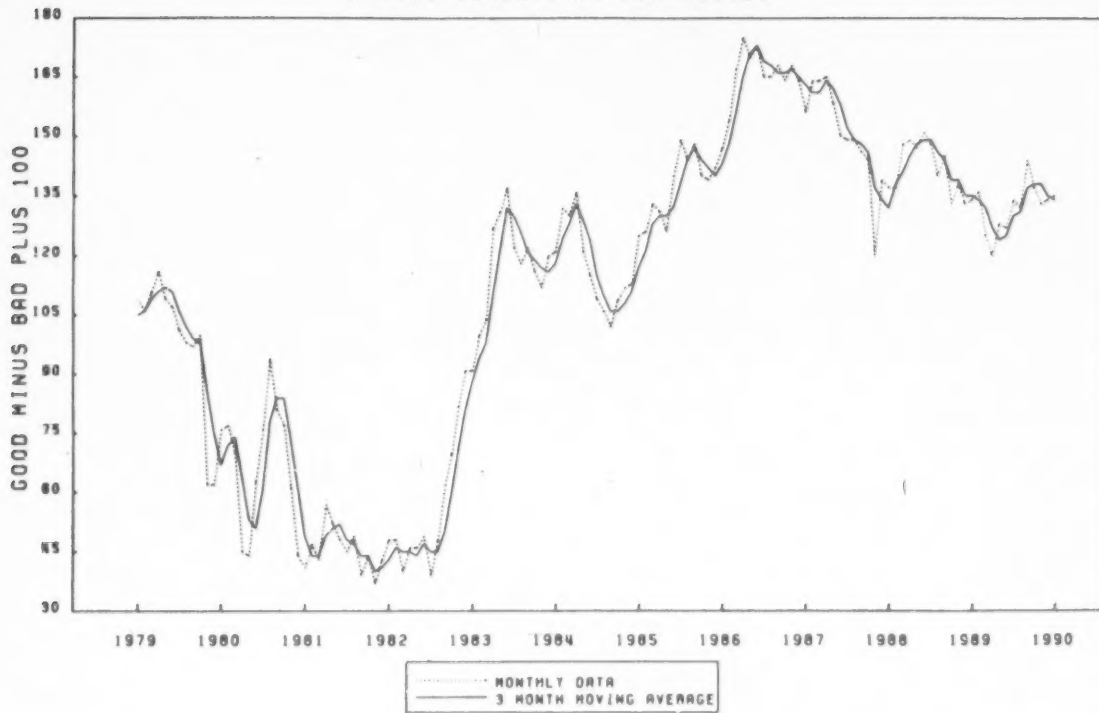


CHART 23 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

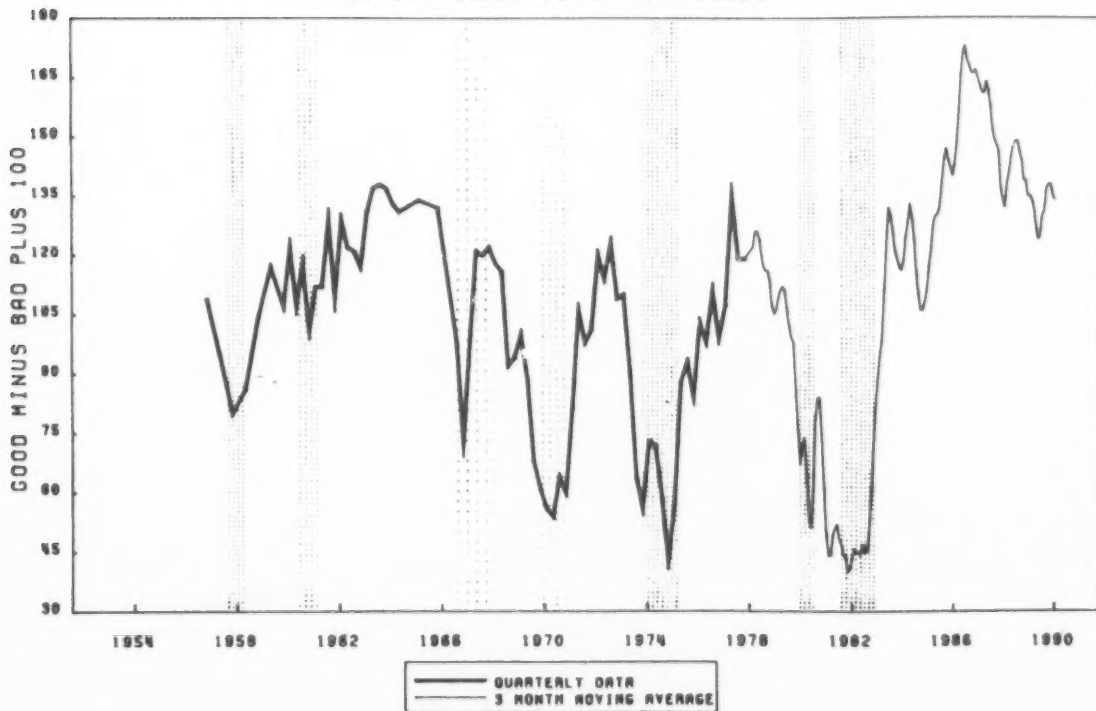


TABLE 23

BUYING CONDITIONS FOR HOUSES

	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990
GOOD TIME TO BUY	64%	64%	60%	58%	61%	61%	64%	64%	70%	66%	63%	64%	64%
UNCERTAIN, DEPENDS	6	8	5	4	6	5	6	4	4	5	7	6	7
BAD TIME TO BUY	30	28	35	38	33	34	30	32	26	29	30	30	29
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	500	502	500	503	507	501	502	506	500	502	500	500

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 24A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

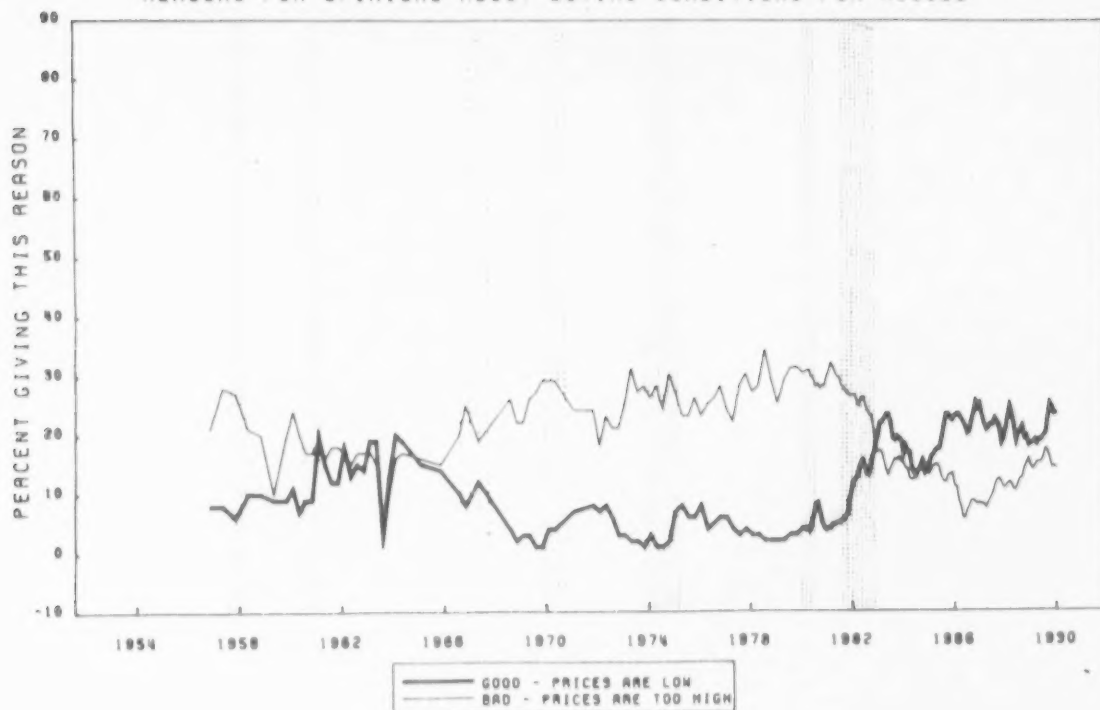


CHART 24B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

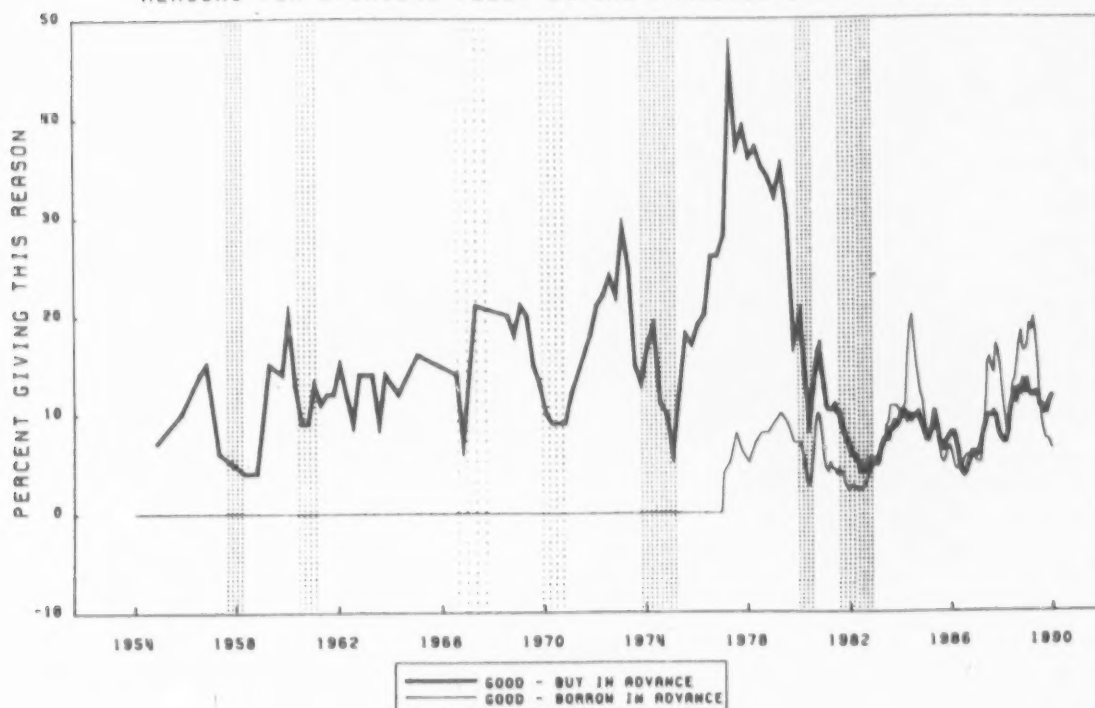


TABLE 24

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990
--	--------------	--------------	--------------	--------------	-------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------

GOOD TIME TO BUY:

Prices are low; good buys available	19%	20%	17%	17%	22%	17%	19%	23%	25%	26%	21%	22%	26%
Prices won't come down; are going higher	13	10	12	13	11	12	9	11	10	9	13	12	10
Interest rates are low	22	20	17	16	16	22	27	28	36	29	29	26	31
Borrow-in-advance of rising interest rates	16	20	19	20	15	11	8	8	8	6	8	7	4
Good investment	7	7	9	6	8	9	8	6	7	6	8	8	8
Times are good; prosperity	4	5	2	4	4	3	5	3	4	5	2	3	2

BAD TIME TO BUY:

Prices are high	14	13	16	16	13	16	18	18	14	15	13	15	14
Interest rates are high; credit is tight	16	12	24	28	25	23	15	15	14	13	15	17	13
Times are bad; can't afford to buy	5	6	7	7	6	5	6	6	6	6	8	6	6
Bad times ahead; uncertain future	4	3	3	4	3	2	2	2	2	1	2	3	4

Responses to the query: "Why do you say so?" following the question on Table 23.
+ : May add to more than 100% due to multiple mentions.

CHART 24C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

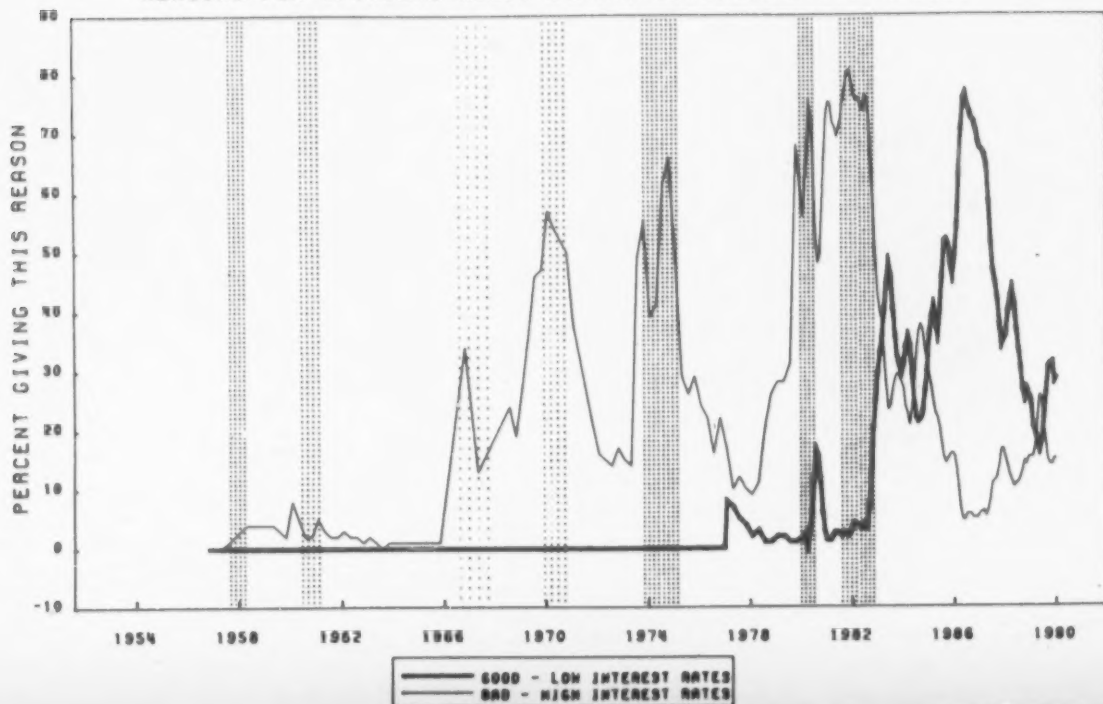


CHART 25 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

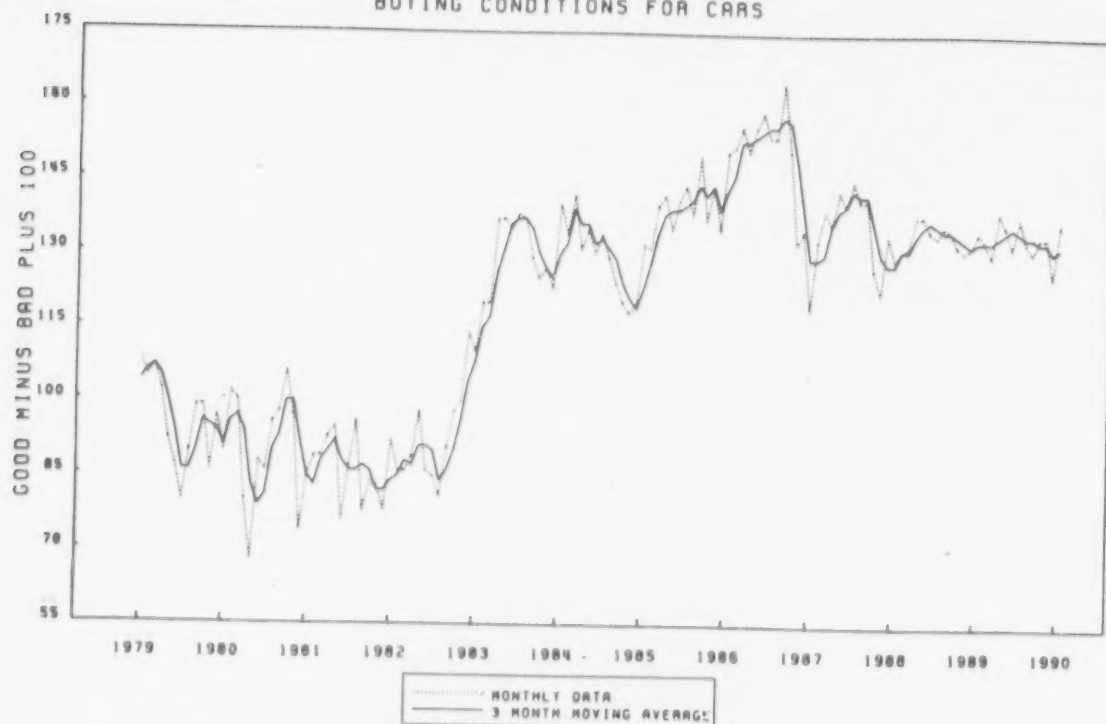


CHART 25 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

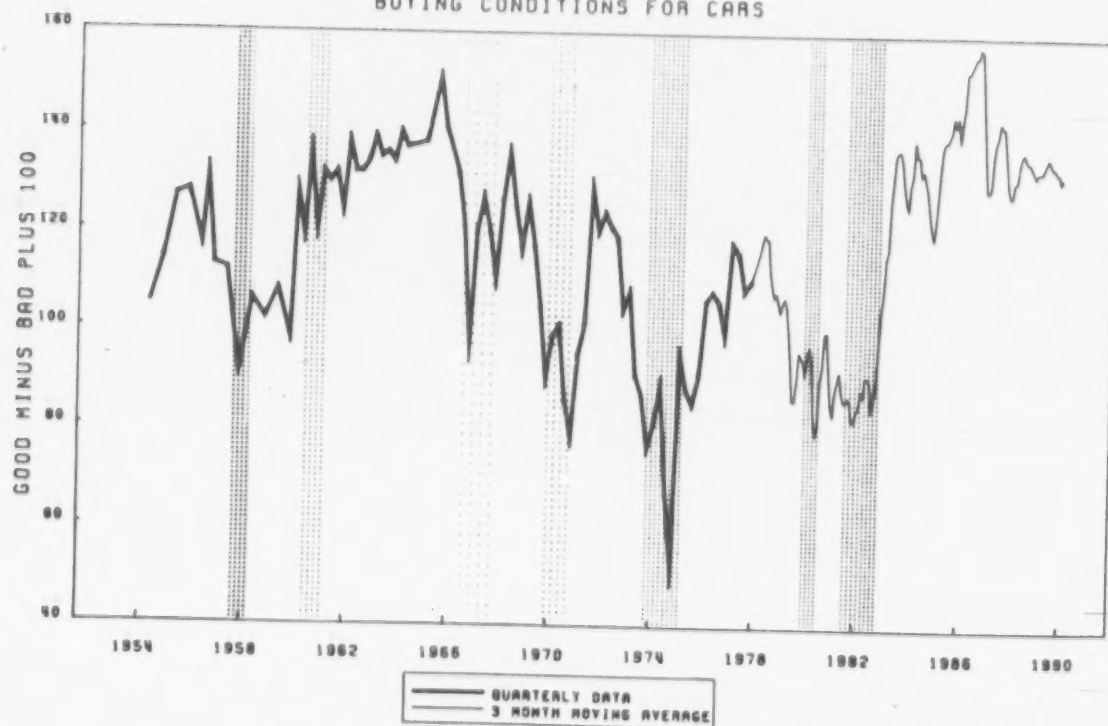


TABLE 25

BUYING CONDITIONS FOR CARS

	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990
GOOD TIME TO BUY	62%	61%	61%	65%	63%	61%	64%	61%	61%	62%	62%	58%	63%
UNCERTAIN; DEPENDS	11	11	8	9	10	10	10	11	9	10	10	10	11
BAD TIME TO BUY	27	28	31	26	27	29	26	28	30	28	28	32	26
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	500	502	500	503	507	501	502	506	500	502	500	500

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 26A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

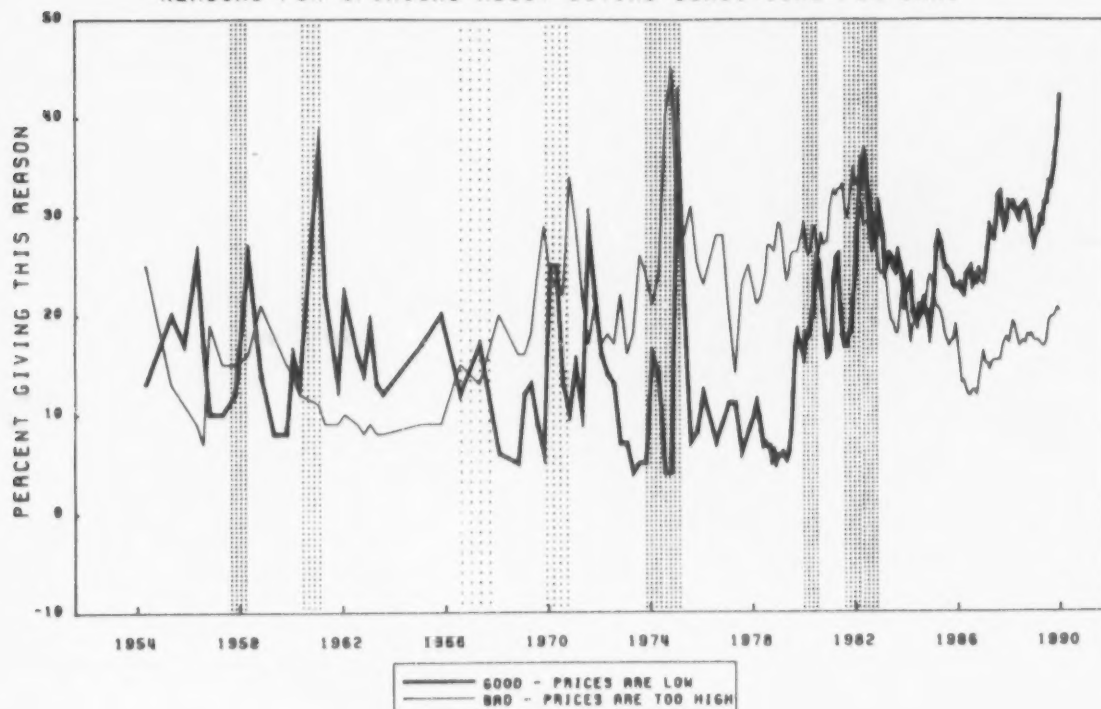


CHART 26B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

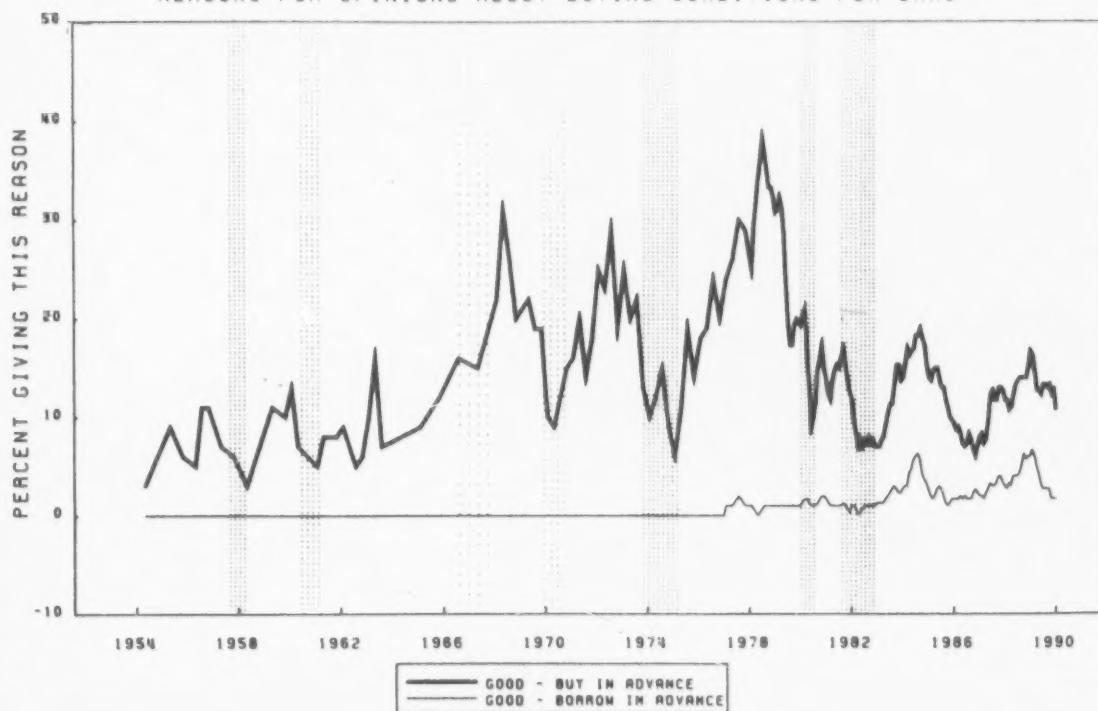


TABLE 26

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	Jan. 1989	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept. 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990
--	--------------	--------------	--------------	--------------	-------------	--------------	--------------	--------------	---------------	--------------	--------------	--------------	--------------

GOOD TIME TO BUY:

Prices are low; good buys available	28%	30%	27%	32%	29%	33%	32%	35%	32%	36%	41%	38%	48%
Prices won't come down; are going higher	18	14	12	12	14	11	15	14	10	16	11	11	10
Interest rates are low	11	15	15	25	23	21	19	18	18	13	15	13	12
Borrow-in-advance of rising interest rates	7	6	5	4	4	2	2	4	2	2	1	2	2
Times are good; prosperity	5	4	3	3	3	2	3	2	4	3	2	1	2

BAD TIME TO BUY:

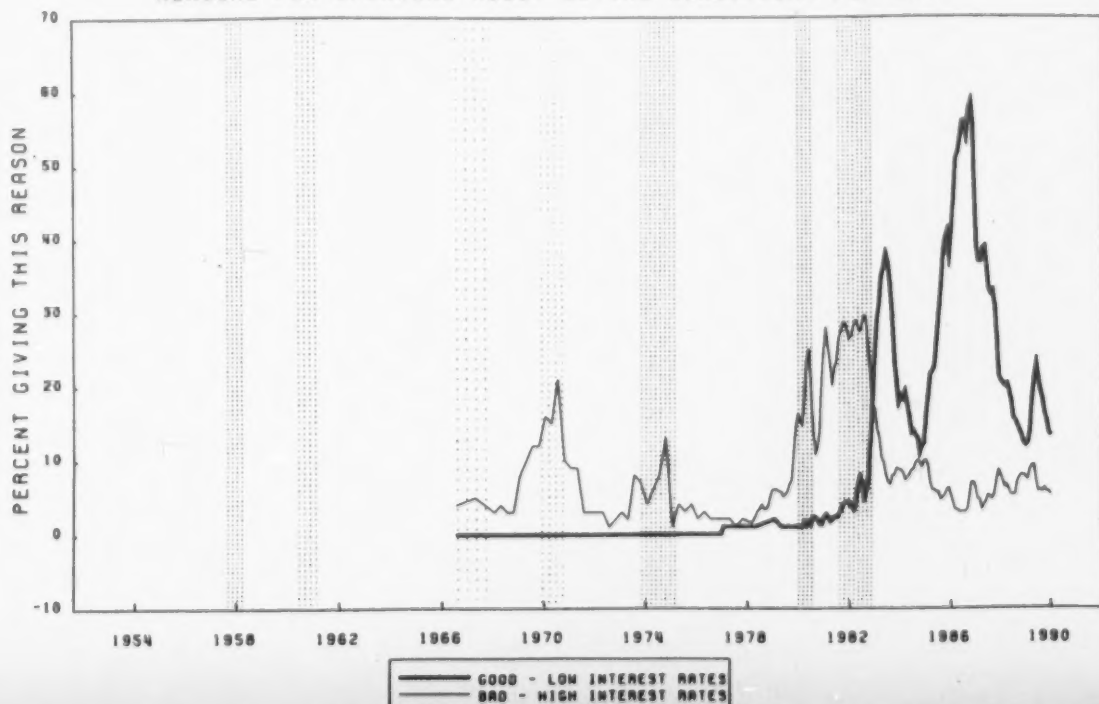
Prices are high	17	17	18	16	16	18	18	22	19	18	23	21	17
Interest rates are high; credit is tight	7	6	13	9	6	7	4	7	6	6	5	6	5
Times are bad; can't afford to buy	2	4	2	3	4	3	2	2	5	4	4	4	2
Bad times ahead; uncertain future	1	1	2	3	2	1	1	2	1	2	1	1	2
Poor selection; quality	4	3	3	2	3	2	3	2	3	2	3	4	3

Responses to the query: "Why do you say so?" following the question on Table 25.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 26C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS



EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES

THE INDEX OF CONSUMER SENTIMENT

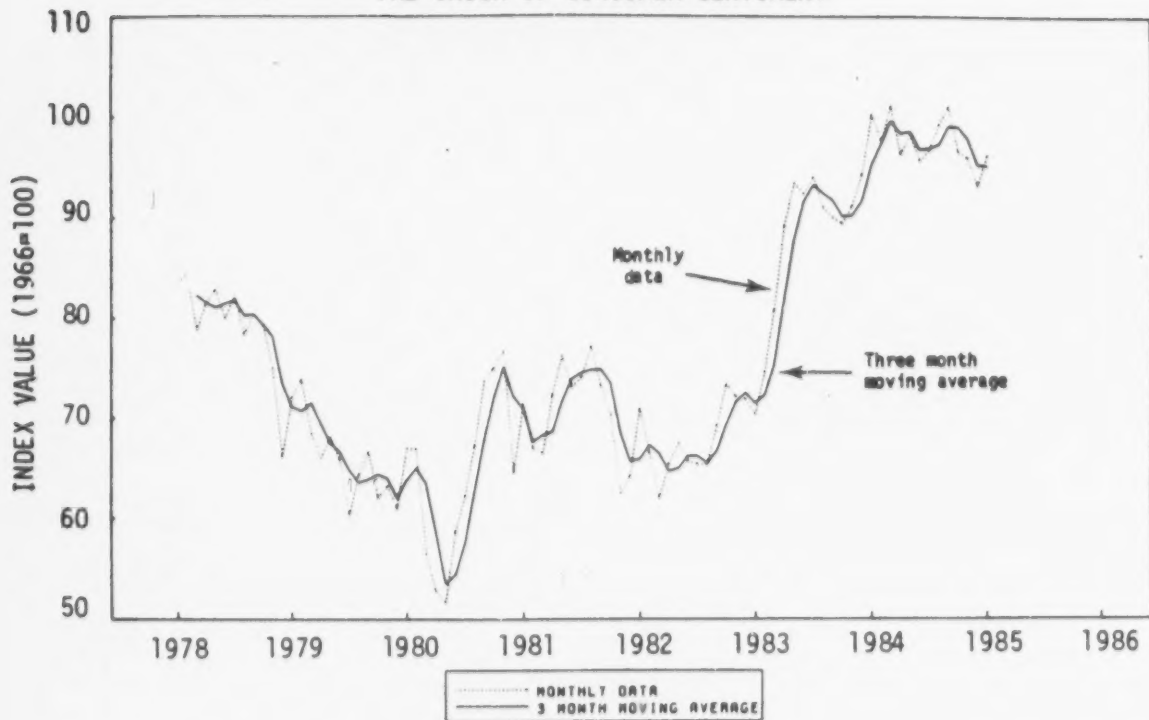
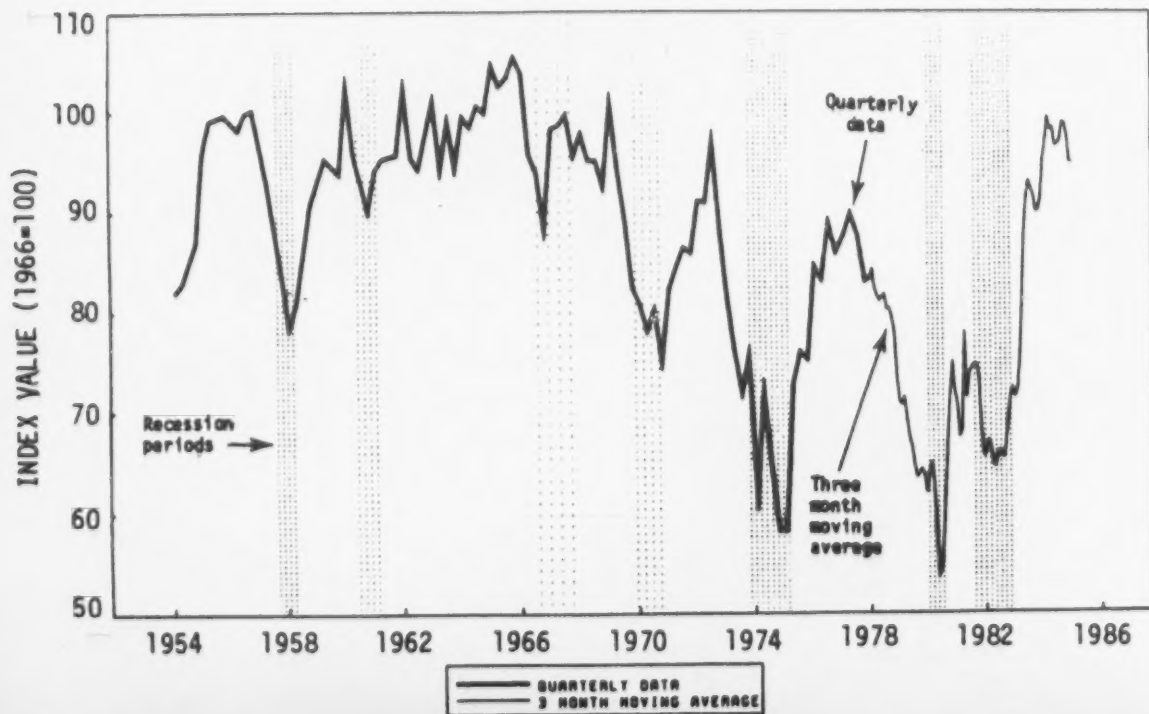


CHART 1 - HISTORICAL SERIES

THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHARTS

DATA POINTS

QUARTERLY DATA: Data collected by surveys conducted at three month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE-MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

TIME SCALE

Each tic mark on the time scale represents the month of January for the indicated year.

RECESSION PERIODS

November	1948 - October	1949
July	1953 - May	1954
August	1957 - April	1958
April	1960 - February	1961
June	1966 - November	1967*
December	1969 - November	1970
November	1973 - March	1975
January	1980 - July	1980
July	1981 - November	1982

Recession dates are determined by the National Bureau of Economic Research.

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters

***GROWTH RECESSION:** Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

RECOMMENDED ALLOWANCE FOR SAMPLING ERROR OF A PERCENTAGE
(Sampling Error Allowance in Percentage Points¹)

For Estimated Percentage Near	Number of Interviews											
	100	200	300	400	500	750	1000	1250	1500	2000	2500	3000
1% or 99%	2.2	1.6	1.3	1.1	1.0	0.8	0.7	0.6	0.6	0.5	0.4	0.4
5% or 95%	4.9	3.5	2.8	2.4	2.2	1.8	1.5	1.4	1.3	1.1	1.0	0.9
10% or 90%	6.7	4.8	3.9	3.4	3.0	2.4	2.1	1.9	1.7	1.5	1.3	1.2
20% or 80%	9.0	6.3	5.2	4.5	4.0	3.3	2.8	2.5	2.3	2.0	1.8	1.6
30% or 70%	10.3	7.3	5.9	5.1	4.6	3.7	3.2	2.9	2.6	2.3	2.0	1.9
40% or 60%	11.0	7.8	6.3	5.5	4.9	4.0	3.5	3.1	2.8	2.4	2.2	2.0
50%	11.2	7.9	6.5	5.6	5.0	4.1	3.5	3.2	2.9	2.5	2.2	2.0

¹The figures in this table represent two standard errors. Hence, the chances are 95 in 100 that the true percentage lies within a range equal to the observed percentage, plus or minus the sampling error.



February 1990 Monthly Survey

March 9, 1990

Surveys of Consumers

Richard T. Curtin, Director

Consumer Sentiment Weakens December Freeze Strains Personal Finances

Index Declines

The Index of Consumer Sentiment was 89.5 in the February 1990 survey, down from 93.0 one month earlier and 94.3 one year earlier. Although the February 1990 reading was the lowest since late 1987, it was only marginally below the 90.5 recorded in December 1989 and nearly equal to the 89.6 recorded in August 1989. Overall, while the recent trends do indicate a softening in consumer sentiment, thus far the decline has been minor and does not yet signal the type of downward momentum that would culminate in a recession. To be sure, however, the data do indicate that consumer spending will continue to be sluggish.

The February decline was concentrated in less favorable evaluations of consumers current financial situation, reflecting the weather induced price increases at the turn of the year. In addition, consumers viewed prospects for the general economy less favorably, stemming from increased concerns with rising unemployment due to announced "plant" closings--the closing of Drexel was more likely to be viewed in terms of its employment impact than a indication of spreading problems for financial institutions.

Among families with incomes of \$30,000 or more, the Index of Consumer Sentiment fell to 93.9 in February 1990 from 99.9 one month earlier and 104.6 one year earlier.

Leading Indicator Dips

The Index of Consumer Expectations, the component of the Leading Indicators Index, declined to 81.3 in the February 1990 survey from 83.4 one month earlier and 88.8 one year earlier. Despite the February decline, the Expectations Index was marginally above the 1989 low reading of 80.1, and well above the 1987 low of 72.7. The decline over the past year was largely due to less favorable expectations for the national economy.

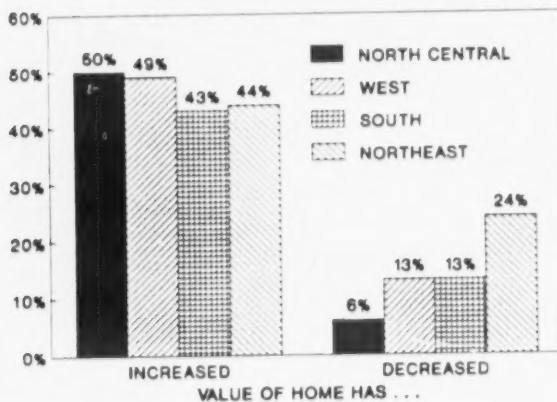
Northeast Slump

The largest loss was recorded among residents of the Northeast, with the Index falling to 82.0 in February from 91.0 in January. Indeed, the level of consumer confidence among residents of the Northeast was lower in the February 1990 survey than any other time since the start of the current expansion--even slightly lower than following the 1987 stock market crash.

The problems in the Northeast can be traced in part to a weakened housing market. In the January and February 1990 surveys, homeowners were asked whether they thought the market value of their homes had increase, decreased, or stayed the same during the prior year. Across all regions, 46 percent of all home owners thought that the market value of their homes had increased, 41 percent thought that the value had remained

unchanged, and just 13 percent thought the market value had actually declined.

CHANGE IN HOME VALUE BY REGION



Of the four major Census regions, the residents of the Northeast were the most likely to report declining home values--reported by 24 percent, more than twice the average of the three other regions. In contrast, the North Central region had a higher proportion that reported gains in market value and a much lower proportion that reported losses in value (just 6 percent).

Recent changes in home values did have an impact on consumer attitudes. Among families that reported increased home values, the Index of Consumer Sentiment was 95.9 compared to 83.7 among those that reported declines in home values.

Personal Finances Burdened By Weather Induced Price Increases

American families viewed their current financial situation less favorably in the February 1990 survey, but they remained upbeat about future prospects. In large part, families viewed the adverse changes in their current situation as temporary, due to the unusually cold weather in December that prompted rising energy and food prices.

Among all families in the February 1990 survey, 38 percent reported that their current financial situation had improved during the past year, down from 43 percent one month earlier and 44 percent one year earlier. The proportion of families that reported worsening finances rose to 30 percent in February 1990, up from 24 percent one year earlier.

When asked to explain how their financial situation had changed, 17 percent of all families mentioned that rising prices had diminished the purchasing power of their incomes in the February 1990 survey (up from 12 percent one year earlier). This was the highest proportion to complain about the impact of rising prices on their family budgets since 1983. In addition, fewer families reported income increases in February 1990 than one year earlier (30, down from 36 percent).

Families continued to view their financial prospects for the year ahead in favorable terms, although not as robust as a year earlier. Among all families in the February 1990 survey, 35 percent expected an improved financial situation during the year ahead, unchanged from the month earlier, but below the year earlier reading of 40 percent. Importantly, just 9 percent of all families expected their financial situation to worsen during the year ahead, just below the 11 percent recorded one month earlier and 10 percent recorded one year earlier. The majority of families in the February 1990 survey (53 percent) expected their financial situation to on balance remain unchanged, considering both changes in incomes and prices.

Inflation Expectations Post Small Improvement

The increase in the expected annual inflation rate that was recorded in January was partially reversed in the February survey. Consumers expected the annual rate of inflation to average 5.1% during the year ahead in the February 1990 survey, down from 5.4% in January but still above the 4.7% recorded in December 1989.

Slow Growth Economy Reflected in Assessments

Consumers' evaluations of the current state of the national economy were less favorable in the February 1990 survey than any other time during the current expansion--except for the month immediately following the 1987 stock market crash.

Indeed, more families reported that economic conditions had worsened than thought they had improved during the past year (44 versus 36 percent). This is in sharp contrast to views of the economy a year ago, when favorable assessments outnumbered unfavorable assessments by nearly a two-to-one margin (48 versus 26 percent).

Prospects for the national economy for the year ahead have also dimmed, but the shift in opinion has not been large. Among all families, 23 percent expected the national economy to worsen during the year ahead, compared with 19 percent that expected improvement. This is the least favorable balance of opinion recorded during the current expansion. Nonetheless, it must be noted that the majority of consumers (56 percent) expected the performance of the economy to remain unchanged during the year ahead--that is, to continue on the same, slow path of growth.

Although the slow-down in economic growth was expected to continue, overall conditions in the national economy was still expected to remain favorable. Good times financially in the economy as a whole were expected by 46 percent of all families in the February 1990 survey, down from 52 percent in January and 56 percent in February 1989. Unlike the responses to the question on the expected direction of change, more families still expected that during the year ahead the national economy would be characterized by good times rather than bad times financially (46 versus 35 percent). Even this favorable outlook has narrowed, however, as the margin of opinion was two-to-one in the February 1989 survey (56 versus 28 percent).

Unemployment: The Dominant Concern

The proportion of families that expected the national unemployment rate to increase during the year ahead rose to 44 percent in the February 1990 survey, up from 36 percent one month earlier and 30 percent one year earlier. This is the highest proportion expecting an increase in the national unemployment rate that has been recorded during the current expansion. Just 7 percent of all families expected declines in the unemployment rate, down from 13 percent one year earlier. Importantly, nearly half of all respondents (48 percent) expected the national unemployment rate to remain largely unchanged at its current level.

The required advance announcements of plant closings may well be affecting these expectations over and above the actual plant closings. In effect, both the advanced announcement and the news of the actual plant closing may have independent and cumulative impacts on unemployment expectations.

Interest Rates

Increases in interest rates were expected by 48 percent of all families in the February 1990 survey. This reading was only marginally above the January 1990 reading of 45 percent, but well below the all-time peak reading of 75 percent recorded a year earlier. After posting sharp improvements by mid 1989, interest rate expectations have remained largely unchanged.

Household Durables

Favorable attitudes toward buying conditions for appliances, furniture, and home electronics were held by 74 percent of all families in the February 1990 survey, between the 77 percent recorded one month earlier and the 71 percent recorded one year earlier. Overall, buying attitudes toward household durables have remained at favorable

levels due to continued widespread reports of the availability of price discounts. Although the proportion of consumers that mentioned discounted prices fell to 35 percent in the February 1990 survey from the all-time peak of 45 percent in January, it remained higher than a year earlier (33 percent).

Homes

Favorable home buying attitudes were held by 62 percent of all families in the February 1990 survey, down slightly from the 64 percent recorded in both the month and year earlier surveys. Less favorable perceptions of mortgage interest rates were the primary cause for the small decline. The proportion of families that mentioned the availability of lower interest rates fell to 25 percent in February from 31 percent in January, while complaints about high mortgage interest rates rose to 18 from 13 percent.

During the past year, there was an increase in favorable as well as unfavorable perceptions of current market prices. In the February 1990 survey, 25 percent favorably mentioned current home prices, up from 20 percent a year earlier. This improvement, however, was offset by an increase in unfavorable price references, which rose to 18 percent in February 1990 from 13 percent one year earlier.

Vehicles

Favorable car buying attitudes were held by 63 percent of all families in the February 1990 survey, unchanged from the January reading and just above the year earlier figure of 61 percent. Overall, there has been very little change in car buying attitudes during the past year.

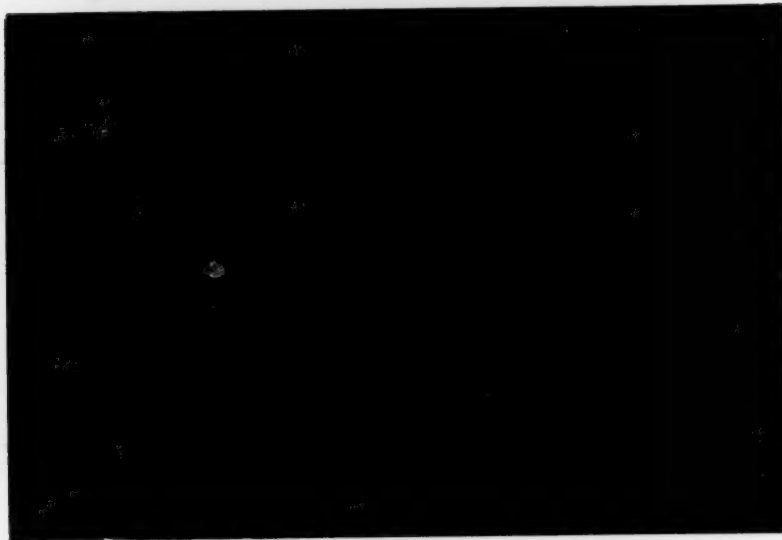
The availability of price discounts was mentioned by 48 percent of all families in the February 1990 survey, replicating the all-time record set one month earlier. Unfavorable price references, however, inched upward in February, to 22 percent from 17 percent one month and one year earlier.

* * *

The February 1990 survey included 511 completed interviews conducted between January 31 and February 26, 1990.

U7475-2A

SURVEYS OF CONSUMERS



Institute for Social Research

SURVEYS OF CONSUMERS

FEBRUARY 1990

The February 1990 survey was the 259th in a series of Surveys of Consumers conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results for the total sample will differ by no more than 5 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

While every effort is made to accurately measure consumer attitudes and expectations, factors other than sampling may also affect the accuracy of these (and other) findings. These factors may include effects of the question wording, the ability of respondents to articulate answers and opinions, refusal to participate in the survey, and incomplete coverage of the population. There are no standard measures of these effects, but their presence should be acknowledged when using these and all other survey data. While measurement effects are present in all surveys, a noted advantage of time-series data is that the non-sampling influences remain relatively constant across samples.

TABLE OF CONTENTS

TABLE	TITLE
1.	The Index of Consumer Sentiment
2.	Index of Consumer Sentiment within Region and Age Subgroups
3.	Components of the Index of Consumer Sentiment
4.	Current Financial Situation Compared to a Year Ago
5.	Selected Reasons for Opinions About Personal Financial Situation
6.	Expected Change in Financial Situation
7.	Trend in Personal Financial Situation
8.	Expected Family Income Change During the Next 12 Months
9.	Expected Change in Real Family Income
10.	News Heard of Recent Changes in Business Conditions
11.	Selected Items of News Heard of Recent Changes in Business Conditions
12.	Current Business Conditions Compared to a Year Ago
13.	Expected Change in Business Conditions in a Year
14.	Trend in Past and Expected Changes in Business Conditions
15.	Business Conditions Expected During the Next 12 Months
16.	Business Conditions Expected During the Next 5 Years
17.	Expected Change in Unemployment
18.	Expected Change in Interest Rates
19.	Expected Change in Prices During the Next 12 Months
20.	Opinions About the Government's Economic Policy
21.	Buying Conditions for Large Household Goods
22.	Selected Reasons About Buying Conditions for Large Household Goods
23.	Buying Conditions for Houses
24.	Selected Reasons for Opinions About Buying Conditions for Houses
25.	Buying Conditions for Cars
26.	Selected Reasons for Opinions About Buying Conditions for Cars

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT



CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

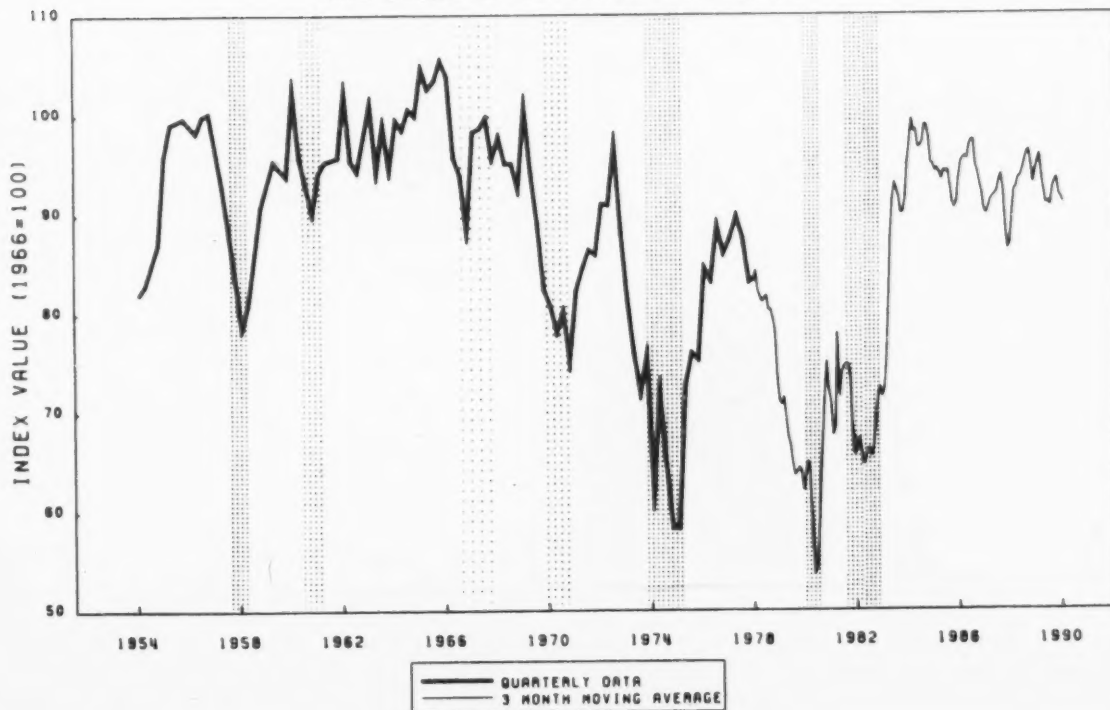


TABLE 1
THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	All families	Families with incomes over \$30,000	Families with incomes over \$40,000
February 1987	90.2	103.6	103.6
March 1987	90.8	97.8	96.1
April 1987	92.8	98.5	103.1
May 1987	91.1	97.7	99.2
June 1987	91.5	102.9	102.9
July 1987	93.7	102.5	104.0
August 1987	94.4	104.4	109.1
September 1987	93.6	100.6	104.3
October 1987	89.3	99.9	101.8
November 1987	83.1	87.7	90.5
December 1987	86.8	94.5	96.1
January 1988	90.8	99.0	99.9
February 1988	91.6	98.1	100.8
March 1988	94.6	103.7	104.6
April 1988	91.2	99.1	99.6
May 1988	94.8	106.6	108.3
June 1988	94.7	102.3	102.7
July 1988	93.4	100.5	103.9
August 1988	97.4	105.1	104.2
September 1988	97.3	102.8	105.4
October 1988	94.1	103.0	103.7
November 1988	93.0	102.0	101.0
December 1988	91.9	97.0	99.5
January 1989	97.9	108.4	106.8
February 1989	95.4	104.6	109.6
March 1989	94.3	98.6	100.0
April 1989	91.5	99.1	99.8
May 1989	90.7	100.6	100.3
June 1989	90.6	95.2	95.4
July 1989	92.0	103.2	101.9
August 1989	89.6	93.5	93.1
September 1989	95.8	104.1	103.0
October 1989	93.9	100.2	103.6
November 1989	90.9	99.4	100.5
December 1989	90.5	100.0	104.1
January 1990	93.0	99.9	103.2
February 1990	89.5	93.9	91.8

CHART 2A - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

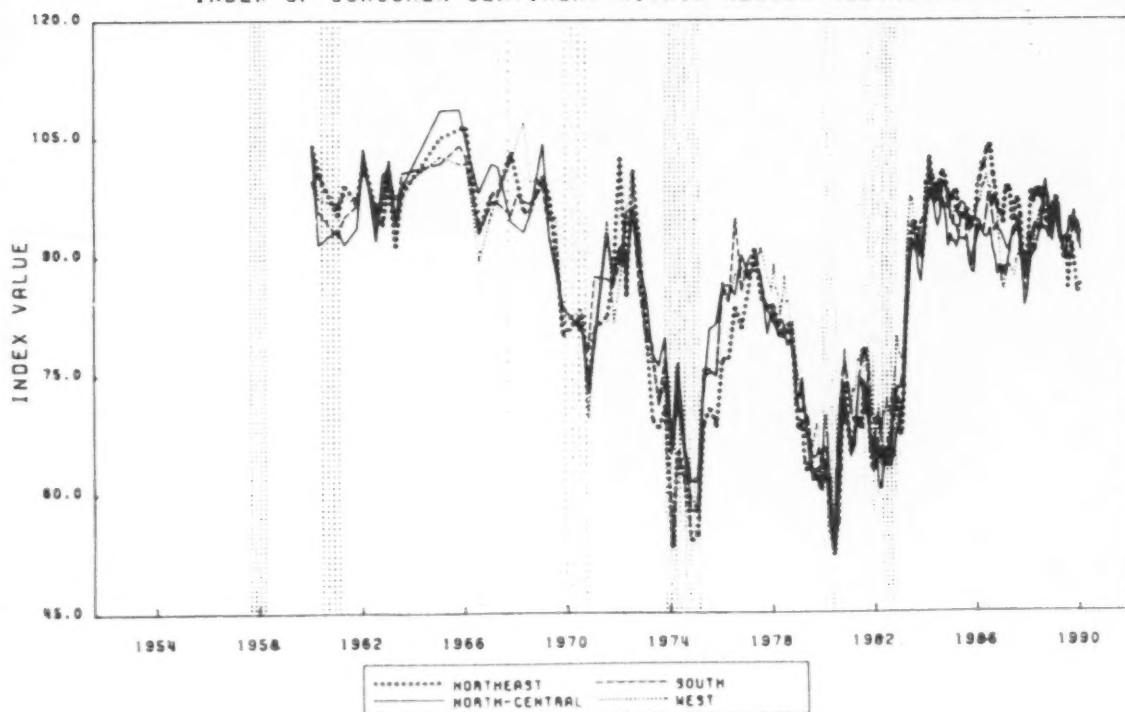


CHART 2B - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

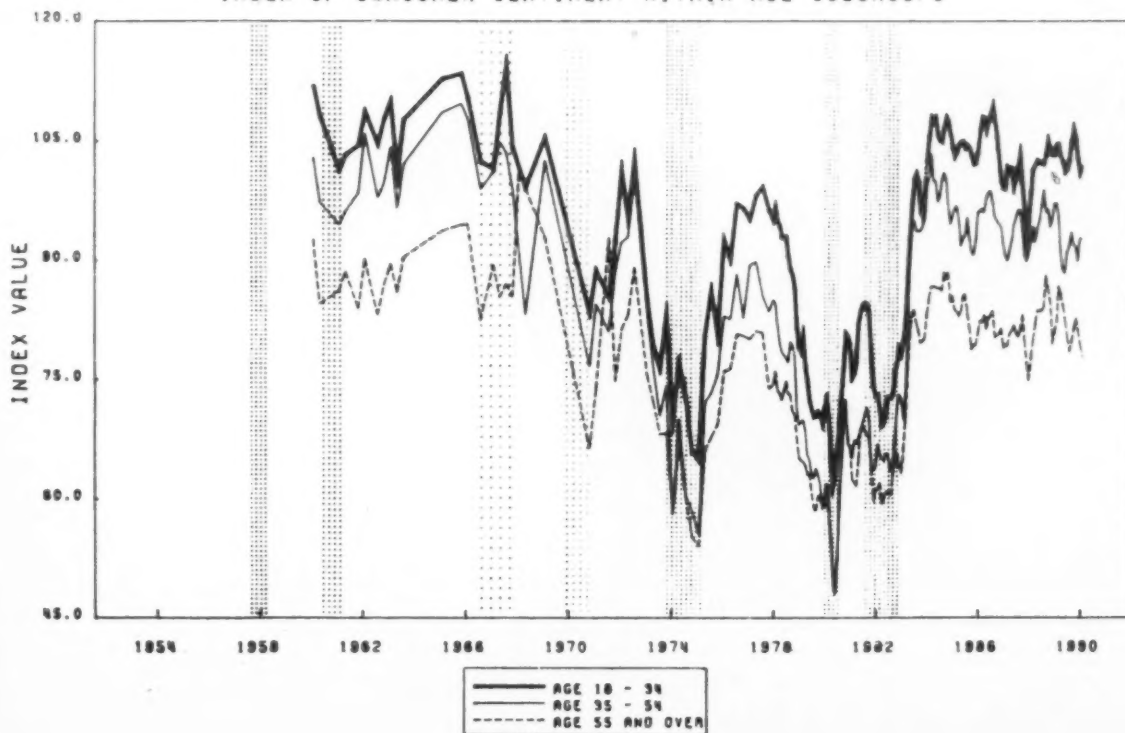


TABLE 2
INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY		CENSUS REGION				AGE OF RESPONDENT		
		North East	North Central	South	West	18-34	35-54	55+
February 1987		92.4	89.5	90.7	89.2	99.1	89.2	81.5
March 1987		104.6	86.3	87.5	91.2	106.4	89.3	77.7
April 1987		99.4	91.7	93.7	87.2	99.0	95.1	83.5
May 1987		91.3	92.9	92.1	87.1	99.5	92.8	82.1
June 1987		92.5	92.2	91.5	89.7	99.0	95.5	80.0
July 1987		100.1	95.7	93.8	85.2	103.0	97.8	80.2
August 1987		99.0	91.0	95.2	93.2	103.3	95.8	80.8
September 1987		92.2	94.7	94.9	91.5	104.1	95.4	82.6
October 1987		93.8	87.2	88.3	89.1	92.0	89.9	86.2
November 1987		83.9	79.6	87.9	79.4	91.7	86.6	70.8
December 1987		83.4	83.6	90.4	89.2	94.1	92.9	73.6
January 1988		99.8	91.3	87.6	88.5	98.3	93.6	80.1
February 1988		93.7	92.1	92.8	86.3	102.5	90.3	79.9
March 1988		101.2	92.9	91.6	95.3	103.5	98.9	80.0
April 1988		94.9	93.9	88.6	89.0	100.0	87.5	86.6
May 1988		99.1	95.5	91.1	97.3	104.2	95.4	84.7
June 1988		98.1	91.2	95.9	95.2	103.1	102.0	79.5
July 1988		98.3	92.0	91.8	94.0	99.6	93.0	86.6
August 1988		95.7	100.9	94.4	98.5	103.6	101.7	86.3
September 1988		95.2	101.9	93.3	97.6	106.1	93.3	91.4
October 1988		91.8	96.1	92.9	96.6	105.8	94.6	82.0
November 1988		95.8	90.6	90.5	98.9	100.4	94.3	82.2
December 1988		90.8	90.2	96.1	88.0	103.7	97.1	73.9
January 1989		96.9	94.2	99.9	102.2	105.8	100.3	86.7
February 1989		103.5	99.2	88.8	93.6	104.3	94.2	86.7
March 1989		91.5	95.8	96.1	92.2	103.9	91.8	87.0
April 1989		83.9	94.6	93.4	90.3	101.0	87.5	83.8
May 1989		99.9	86.7	87.3	94.3	102.2	86.9	81.9
June 1989		84.7	91.2	94.4	89.8	100.0	90.4	81.1
July 1989		87.2	91.9	95.6	91.8	101.9	95.8	78.0
August 1989		85.2	93.6	85.0	95.7	105.7	88.9	76.1
September 1989		97.1	98.8	94.0	92.7	107.1	96.2	84.9
October 1989		92.1	89.6	99.5	92.6	107.3	90.5	83.9
November 1989		77.5	98.7	87.2	99.4	102.2	88.6	79.3
December 1989		87.1	89.2	93.5	90.7	99.3	90.3	80.4
January 1990		91.0	94.2	93.8	92.2	101.4	99.5	78.3
February 1990		82.0	88.2	91.5	95.1	104.9	88.2	74.7

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

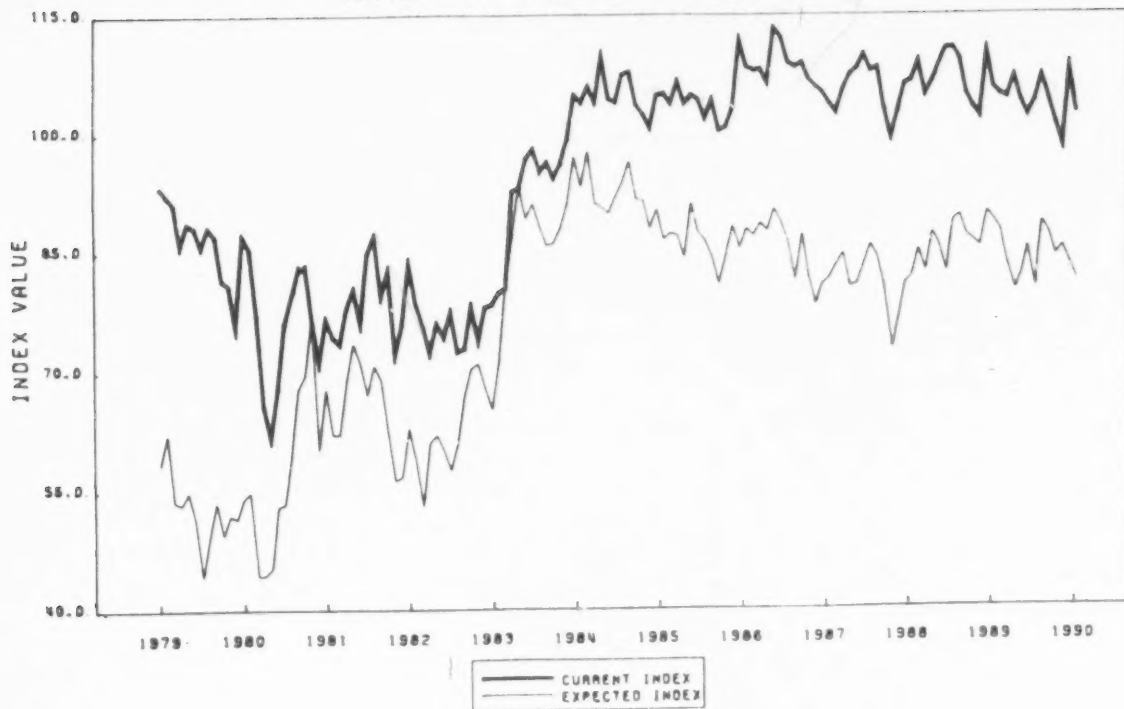


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

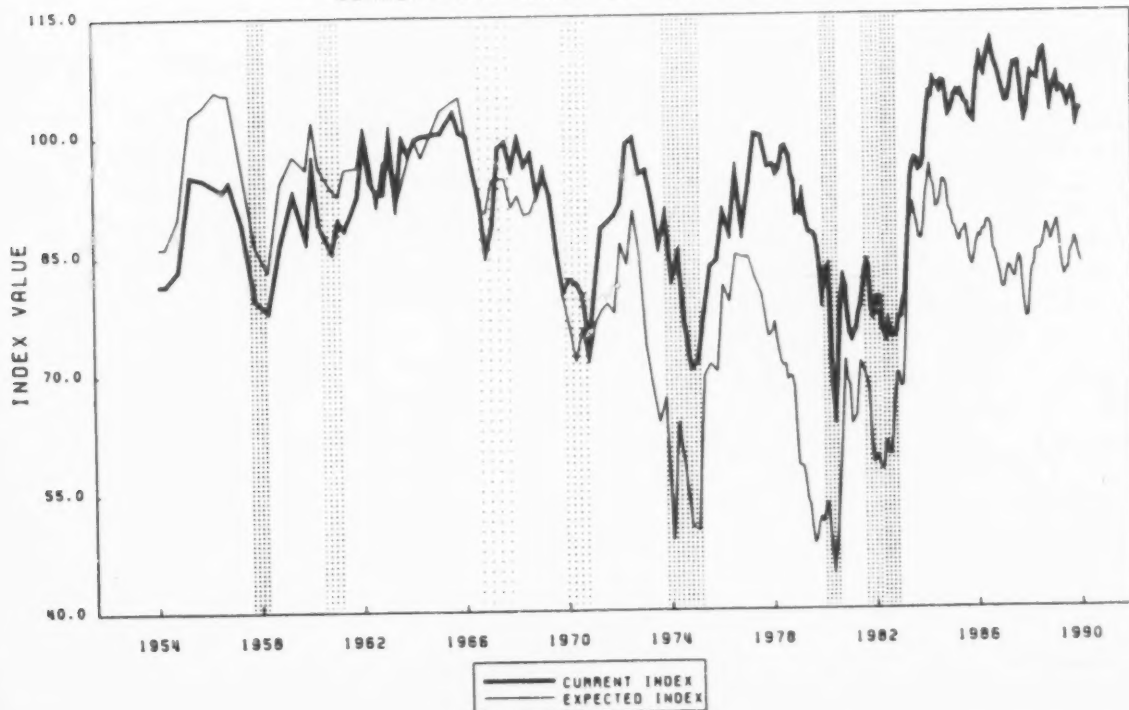


TABLE 3
COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

		INDEX COMPONENTS						
		Personal finances		Business conditions		Buying conds.	Current Index	Expected Index
DATE OF SURVEY		Current	Expected	12 months	5 years			
		(1)	(2)	(3)	(4)	(5)	(1, 5)	(2, 3, 4)
February 1987		115	126	117	84	153	103.7	81.6
March 1987		114	122	121	92	152	102.5	83.3
April 1987		116	127	116	97	158	105.5	84.7
May 1987		117	121	114	89	161	107.4	80.6
June 1987		120	122	113	89	161	108.1	80.8
July 1987		123	123	118	94	162	109.9	83.3
August 1987		122	127	125	93	157	107.8	85.8
September 1987		119	124	122	92	162	108.3	84.2
October 1987		118	128	105	90	149	103.1	80.4
November 1987		115	118	93	80	142	99.3	72.7
December 1987		119	120	98	89	147	102.7	76.7
January 1988		122	131	110	84	154	106.2	80.9
February 1988		122	130	108	90	155	106.6	81.9
March 1988		127	133	114	96	156	109.1	85.2
April 1988		117	125	117	89	154	104.8	82.4
May 1988		111	127	125	98	165	106.5	87.3
June 1988		119	129	121	95	163	108.6	85.7
July 1988		120	128	106	96	167	110.7	82.3
August 1988		127	127	125	105	160	110.8	88.8
September 1988		127	133	125	102	157	109.4	89.5
October 1988		114	124	129	97	158	105.0	87.0
November 1988		112	128	122	97	156	103.3	86.3
December 1988		114	127	119	98	150	102.0	85.5
January 1989		121	131	128	103	165	110.3	89.9
February 1989		120	130	128	99	154	105.7	88.8
March 1989		116	131	123	98	156	104.8	87.6
April 1989		113	130	113	91	158	104.4	83.2
May 1989		121	125	107	89	157	107.1	80.1
June 1989		115	123	115	90	155	104.1	82.0
July 1989		112	123	124	96	152	102.1	85.5
August 1989		114	126	109	88	156	103.9	80.3
September 1989		117	129	127	101	161	107.1	88.6
October 1989		114	134	124	93	156	104.4	87.2
November 1989		116	130	116	92	146	101.2	84.3
December 1989		115	129	115	99	140	98.2	85.5
January 1990		116	124	119	92	164	108.0	83.4
February 1990		108	126	111	90	157	102.3	81.3

- (1) See Table 4.
- (2) See Table 6.
- (3) See Table 15.
- (4) See Table 16.
- (5) See Table 21.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO



CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

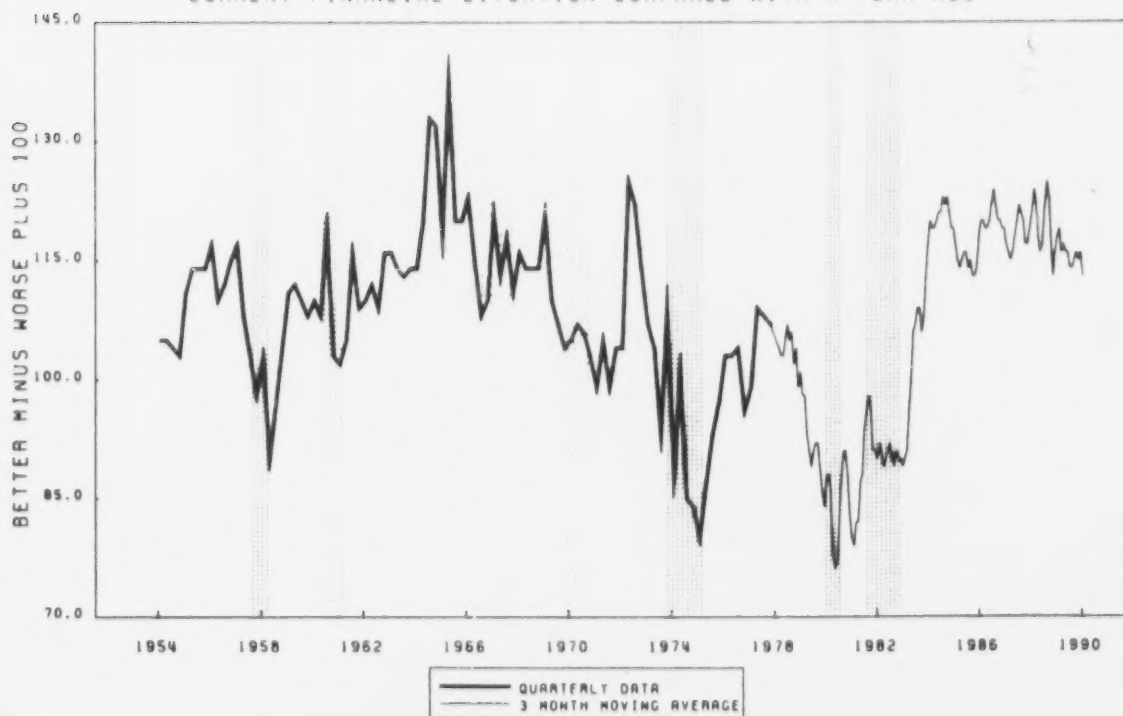


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990
BETTER OFF	44%	42%	42%	45%	38%	41%	41%	42%	42%	42%	41%	43%	38%
SAME	31	32	29	31	38	30	32	32	30	32	32	30	32
WORSE OFF	24	26	29	24	23	29	27	25	28	26	26	27	30
DK, NA	1	*	*	*	1	*	*	1	*	*	1	*	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	502	500	503	507	501	502	506	500	502	500	500	511

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

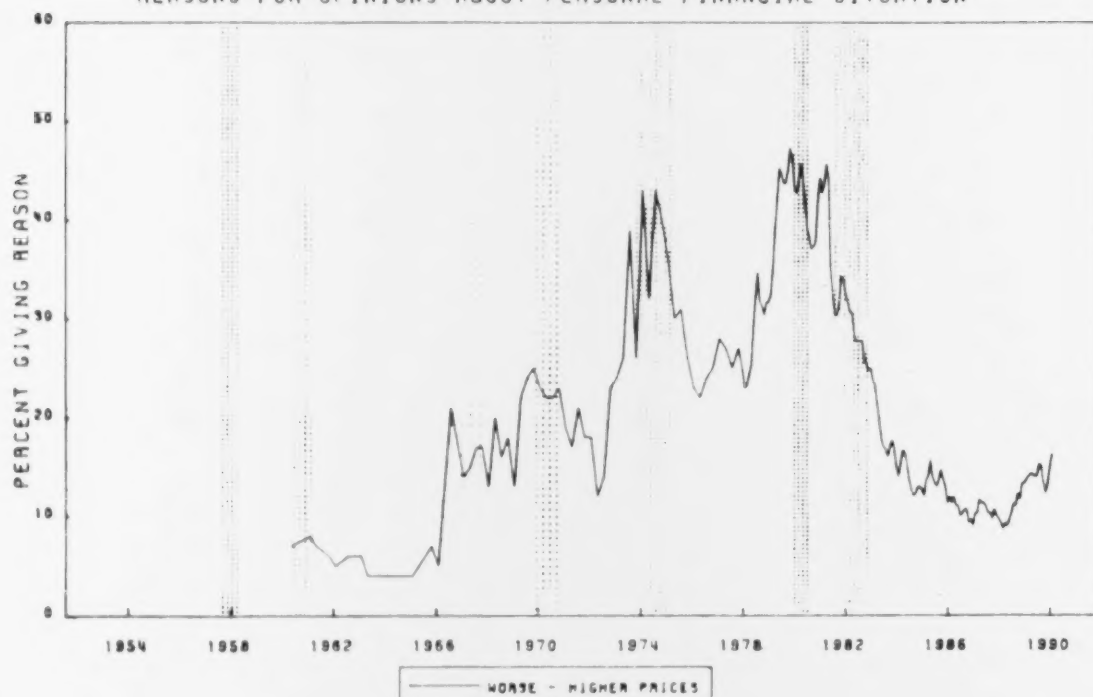


CHART 5B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

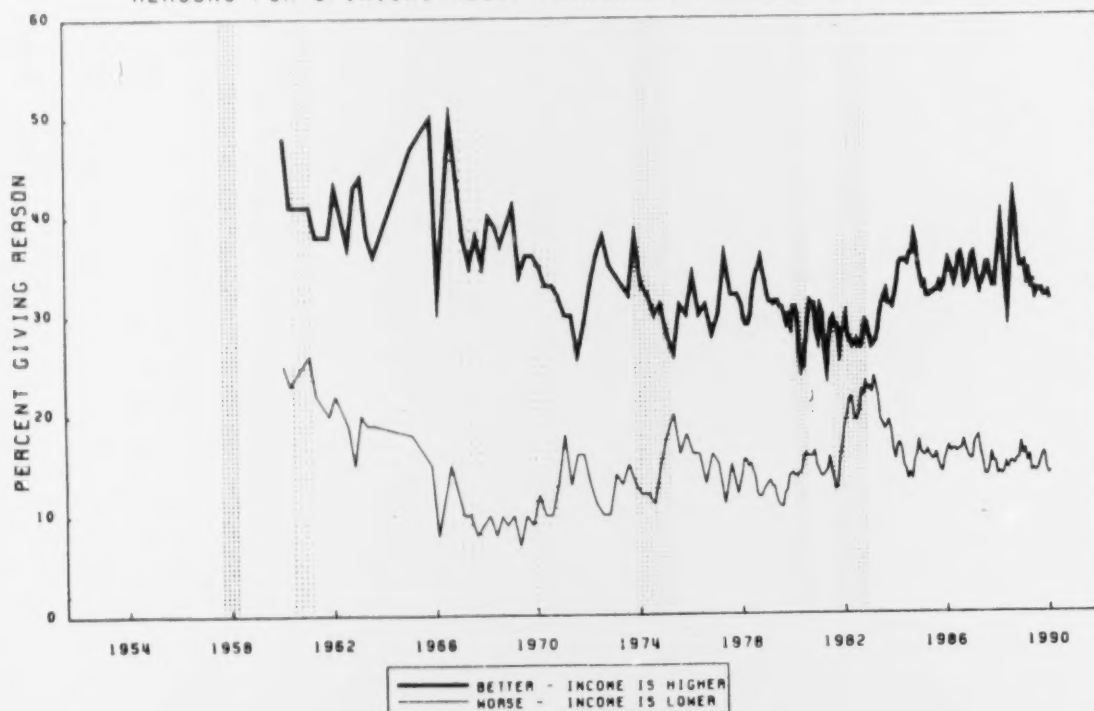


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990
BETTER OFF THAN YEAR AGO:													
Income is higher	36%	30%	36%	32%	31%	32%	34%	31%	32%	32%	31%	33%	30%
WORSE OFF THAN YEAR AGO:													
Income is lower	18	13	16	13	14	15	14	16	17	15	11	15	16
Higher prices	12	15	16	12	14	16	16	13	11	13	16	16	17

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

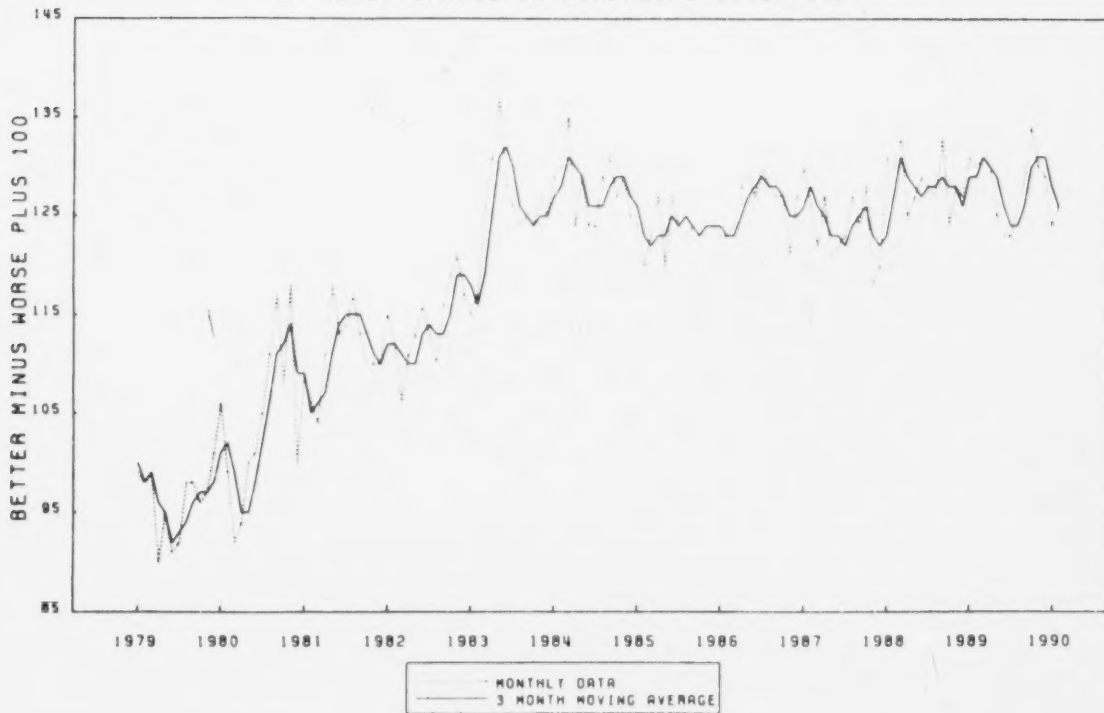


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

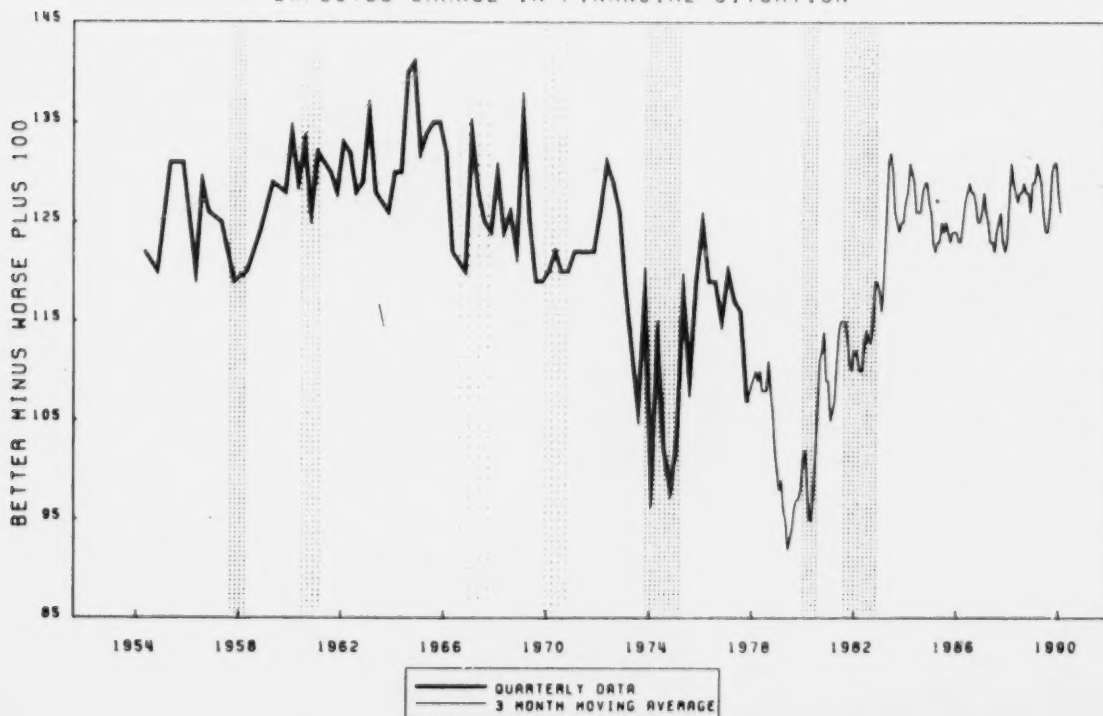


TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990
BETTER OFF	40%	40%	41%	39%	34%	35%	37%	38%	41%	40%	37%	35%	35%
SAME	46	49	46	45	52	50	49	49	47	48	50	51	53
WORSE OFF	10	9	11	14	11	12	11	9	7	10	8	11	9
DK, NA	4	2	2	2	3	3	3	4	5	2	5	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	502	500	503	507	501	502	506	500	502	500	500	511

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

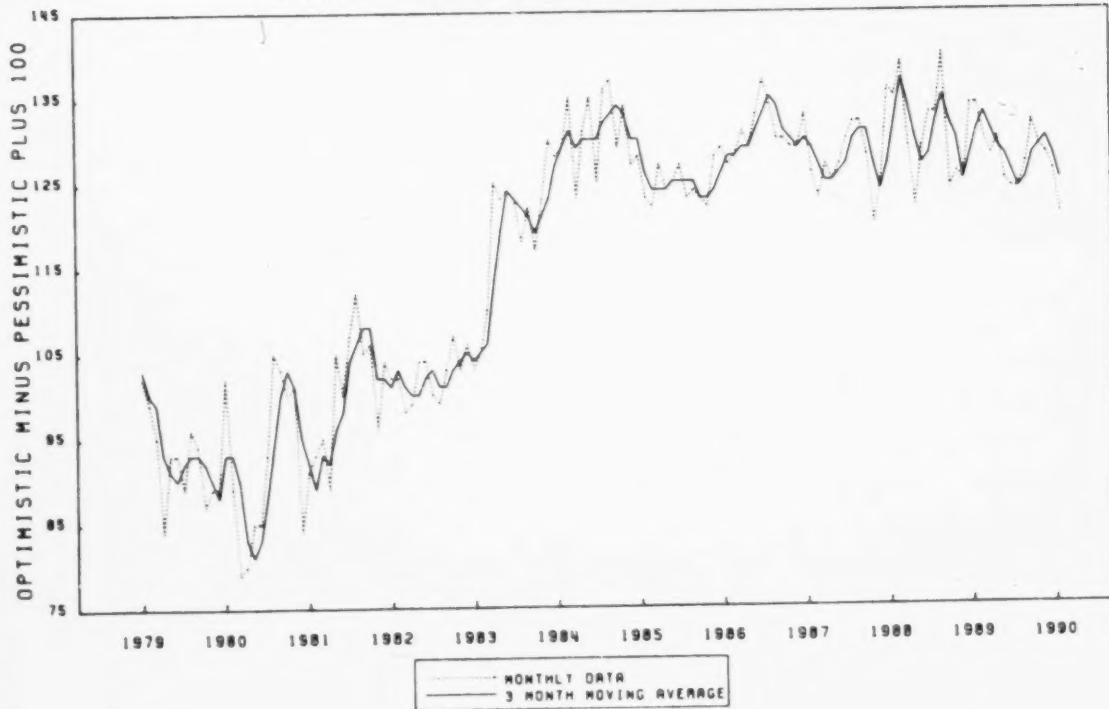


CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

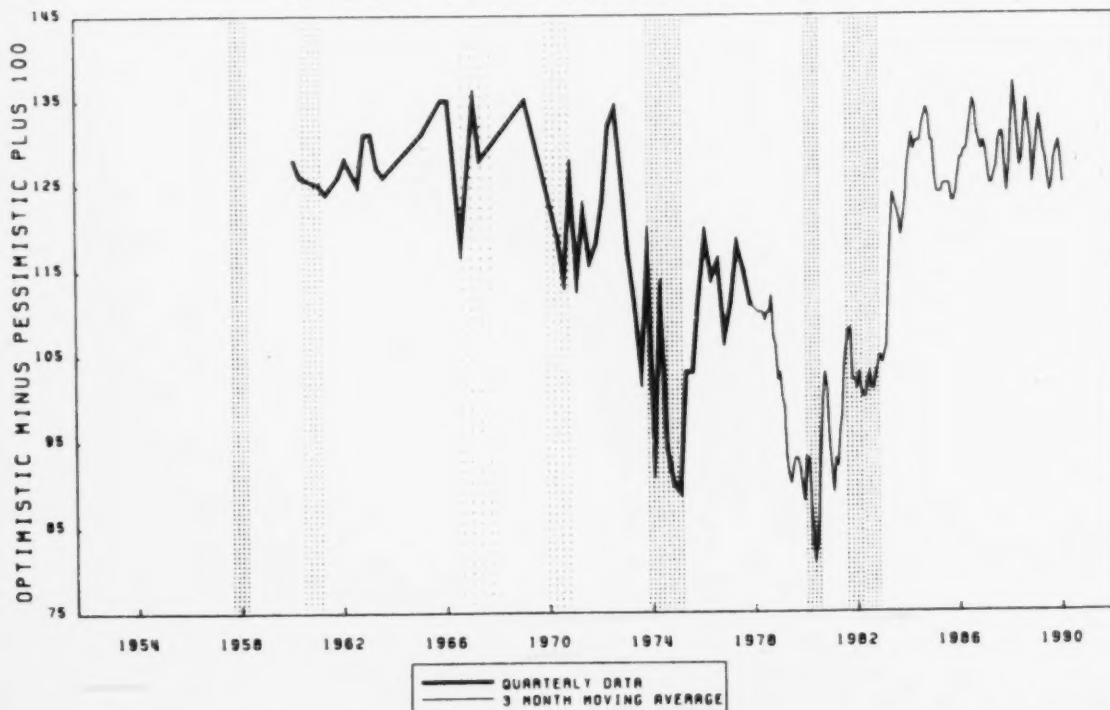


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	22%	20%	21%	21%	16%	19%	20%	24%	22%	21%	19%	20%	17%
Intermittant increase (b)	29	29	27	31	28	28	25	24	27	26	28	28	26
Remain unchanged (c)	17	18	17	14	22	18	20	19	17	20	18	17	21
Intermittant decline (d)	12	15	13	18	15	15	16	17	12	14	16	16	17
Continuous decline (e)	5	4	7	4	4	8	5	4	5	4	3	6	5
Mixed change (f)	11	12	13	9	11	9	10	8	11	13	11	9	10
DK,NA	4	2	2	3	4	3	4	4	6	2	5	4	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	502	500	503	507	501	502	506	500	502	500	500	511

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
 (b) Better/Same or Same/Better
 (c) Same/Same
 (d) Worse/Same or Same/Worse
 (e) Worse/Worse
 (f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
 MEDIAN EXPECTED CHANGE IN FAMILY INCOME



CHART 8 - HISTORICAL SERIES
 MEDIAN EXPECTED CHANGE IN FAMILY INCOME

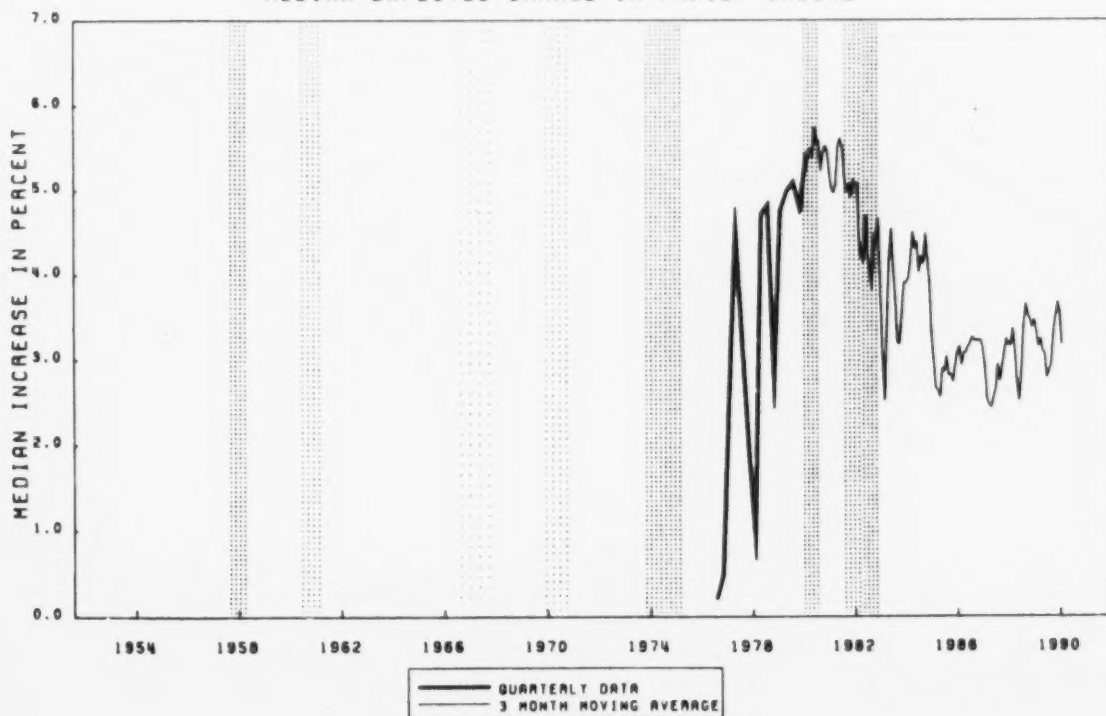


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990
EXPECT INCREASE:													
1-4%	17%	16%	17%	16%	18%	15%	15%	16%	15%	23%	16%	18%	17%
5%	15	10	12	9	11	9	13	10	12	13	12	13	12
6-9%	7	7	7	7	6	6	8	7	7	7	8	7	6
10-24%	15	14	15	17	14	16	17	15	14	16	13	14	15
25% or more	7	7	7	8	6	6	6	5	9	7	7	5	5
DK how much up	5	5	5	4	5	6	3	5	4	6	5	5	3
EXPECT SAME	22	27	23	26	27	31	26	25	25	19	26	25	30
EXPECT DOWN	11	14	12	12	12	10	12	15	12	9	12	11	11
DK, NA	1	*	2	1	1	1	*	2	2	*	1	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	502	500	503	507	501	502	506	500	502	500	500	511

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

* : Less than half of one percent.

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

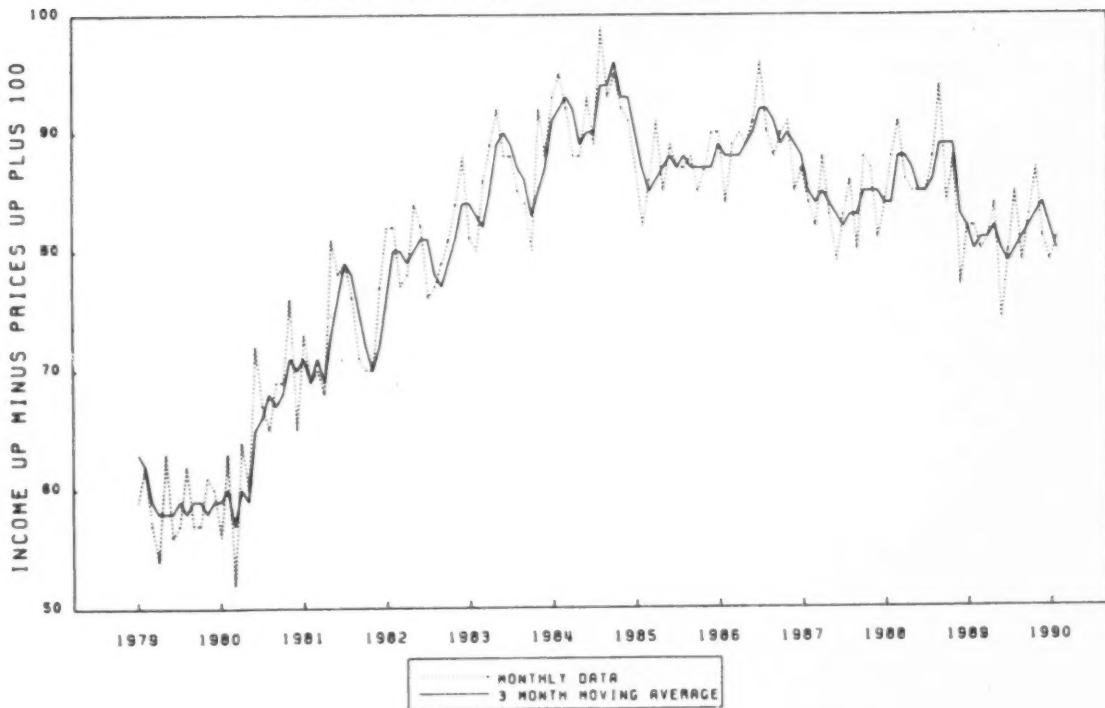


CHART 9 - HISTORICAL SERIES
INCOME OR PRICES UP MORE NEXT YEAR

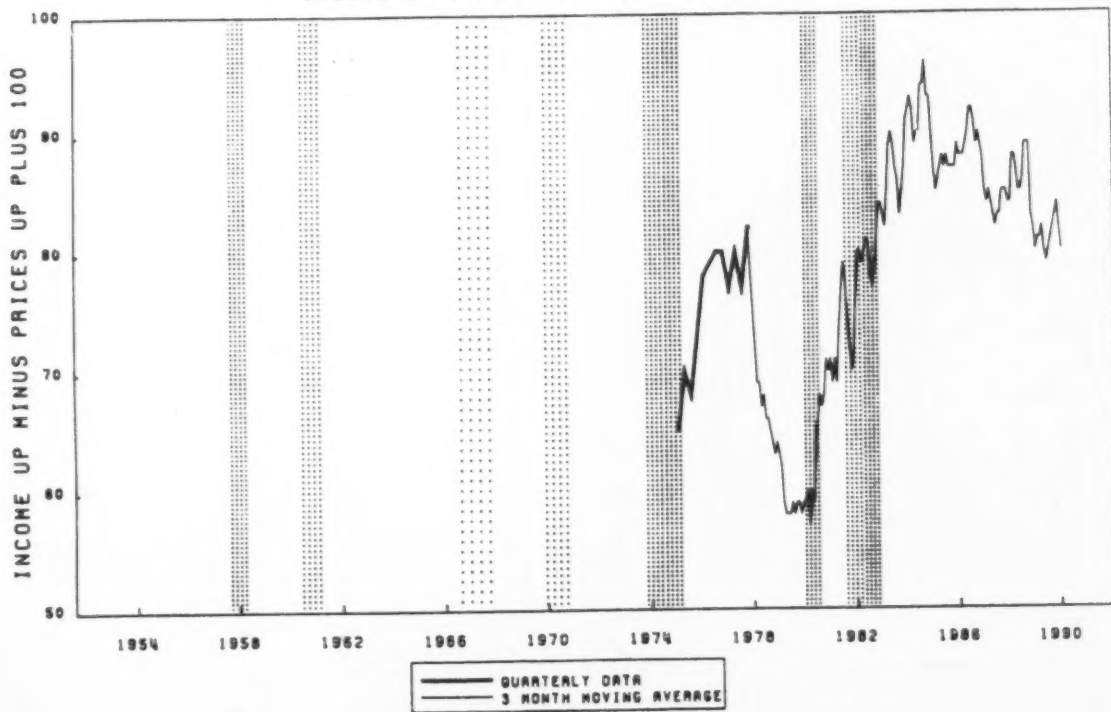


TABLE 9

EXPECTED CHANGE IN REAL FAMILY INCOME

	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990
INCOME UP MORE	18%	17%	18%	22%	16%	19%	21%	19%	20%	22%	21%	17%	17%
INCOME UP SAME	43	44	43	37	39	40	39	39	41	42	36	42	44
PRICES UP MORE	36	37	37	38	42	39	36	40	37	35	40	38	36
DK,NA	3	2	2	3	3	2	4	2	2	1	3	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	502	500	503	507	501	502	506	500	502	500	500	511

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 10 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

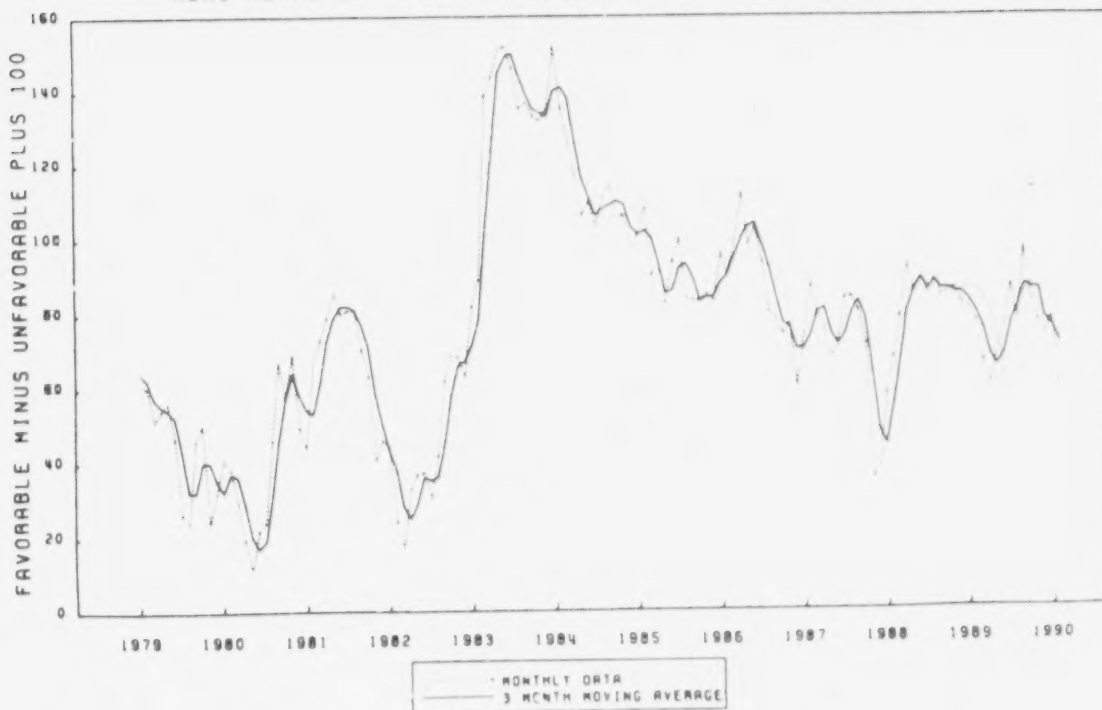


CHART 10 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

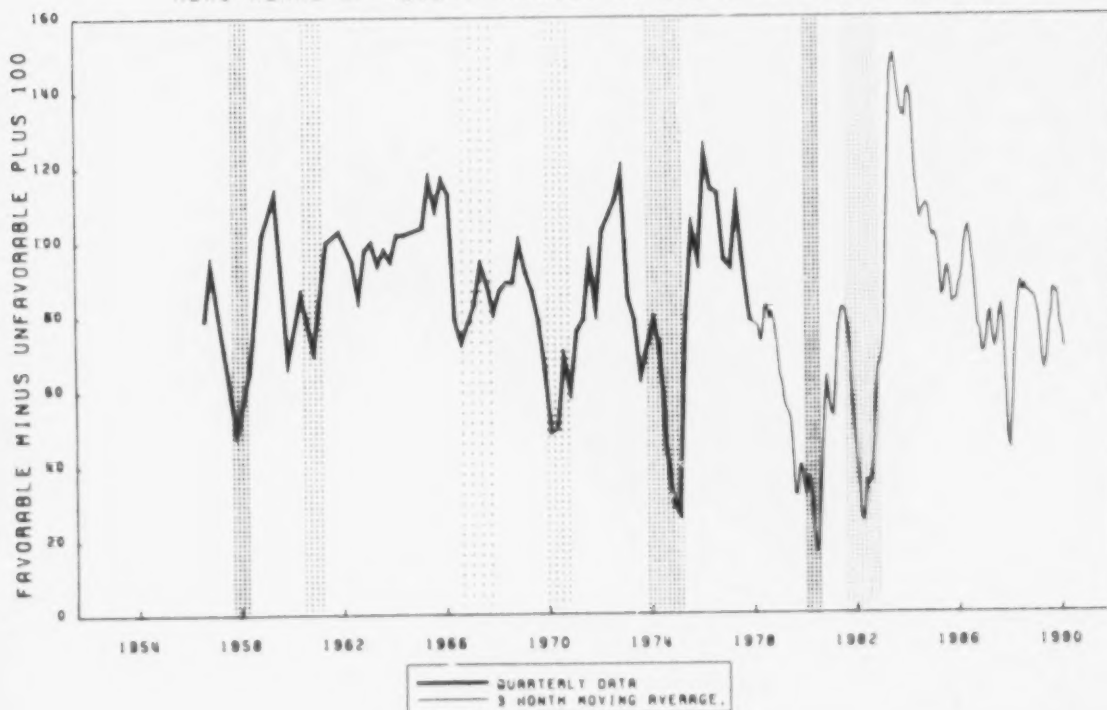


TABLE 10

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990
FAVORABLE NEWS	27%	22%	18%	22%	23%	28%	23%	29%	24%	22%	24%	26%	20%
UNFAVORABLE NEWS	50	56	58	54	47	41	45	32	41	45	50	48	60
NO MENTIONS	48	49	48	48	53	50	53	56	52	52	50	49	44

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 11A - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

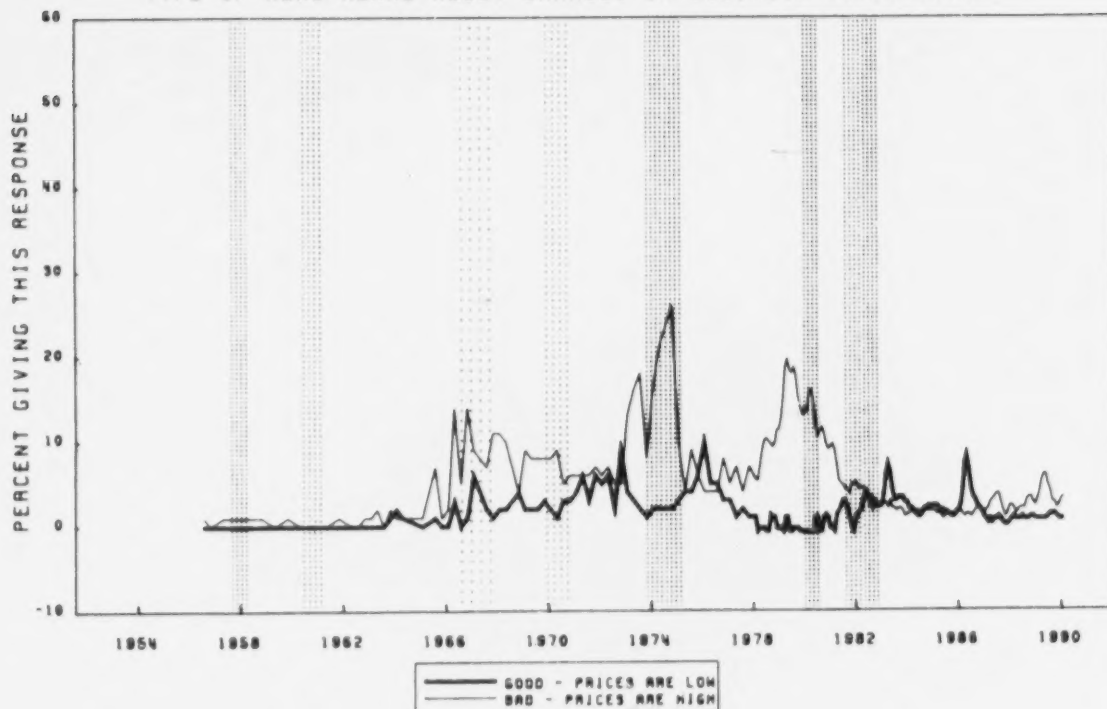


CHART 11B - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

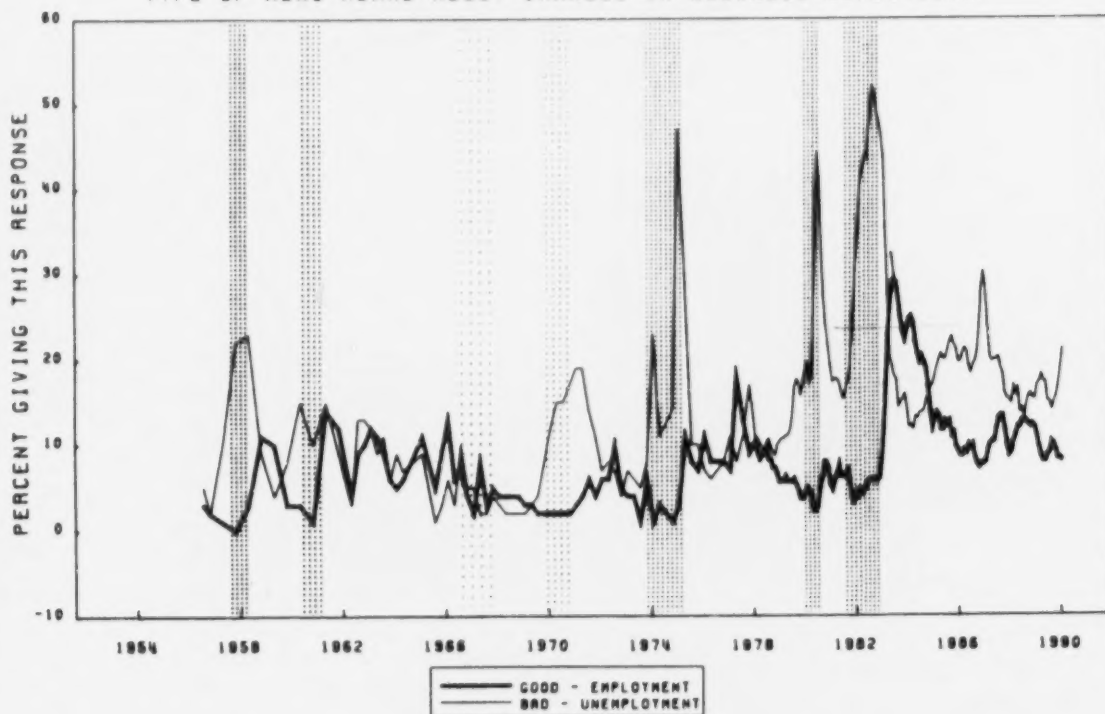


TABLE 11

SELECTED ITEMS OF
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990
FAVORABLE NEWS:													
Government; elections	5%	3%	1%	1%	1%	*	2%	2%	1%	1%	3%	1%	2%
Employment	10	8	8	8	8	10	9	12	9	7	9	9	6
Higher consumer demand	1	1	3	2	1	2	1	1	1	2	2	1	1
Lower prices	1	1	*	1	1	1	2	1	1	1	*	1	1
Easier credit	1	1	*	1	4	6	5	4	3	3	1	6	3
Stock market	1	1	1	2	2	2	1	3	2	2	2	2	1
Trade deficit	1	1	1	1	*	1	1	1	1	1	3	2	2
UNFAVORABLE NEWS:													
Government; elections	7	5	4	4	4	5	3	4	2	3	5	3	6
Unemployment	18	17	20	15	17	13	15	14	16	17	19	21	24
Lower consumer demand	4	3	2	4	3	3	3	2	2	5	6	5	6
Higher prices	4	6	6	6	6	2	4	2	2	2	3	4	3
Tighter credit	5	10	12	10	5	3	2	1	1	1	2	1	3
Stock market	1	2	2	2	1	1	1	1	7	6	2	2	6
Trade deficit	3	3	3	2	3	5	3	2	2	2	5	2	3

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 12 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

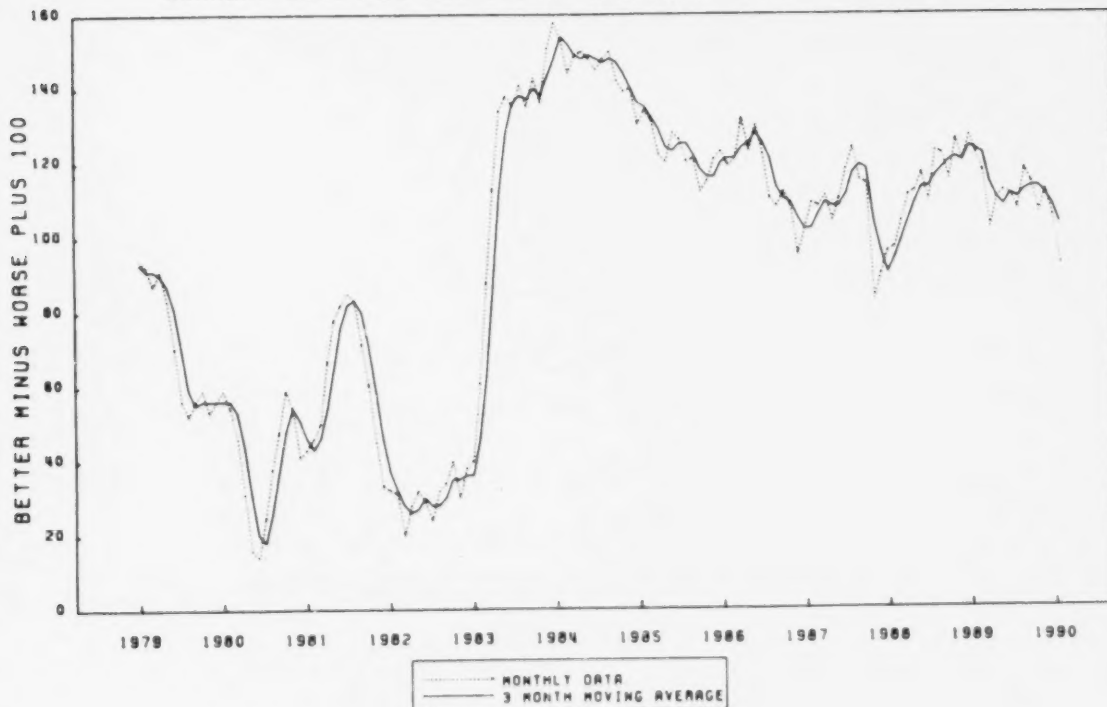


CHART 12 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

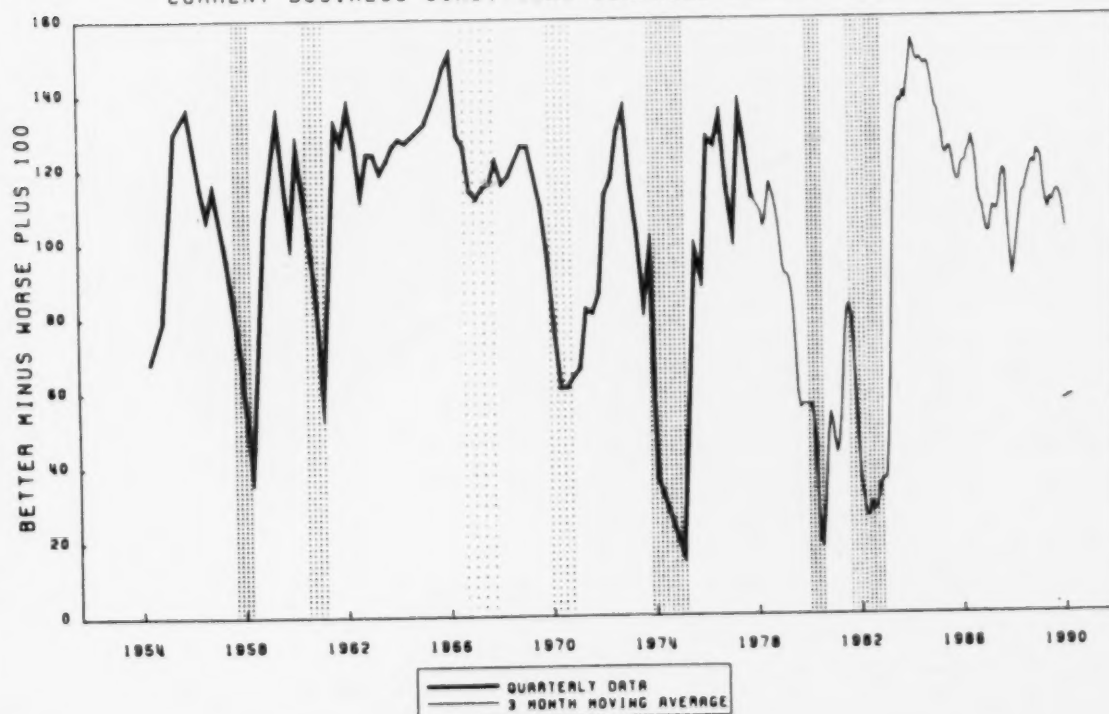


TABLE 12

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990
BETTER NOW	48%	47%	41%	44%	45%	43%	42%	48%	47%	42%	45%	43%	36%
SAME	22	22	18	19	18	22	21	19	19	19	19	16	17
WORSE NOW	26	30	39	34	33	32	35	30	33	36	33	38	44
DK,NA	4	1	2	3	4	3	2	3	1	3	3	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	502	500	503	507	501	502	506	500	502	500	500	511

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 13 - RECENT CHANGES
 EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR



CHART 13 - HISTORICAL SERIES
 EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

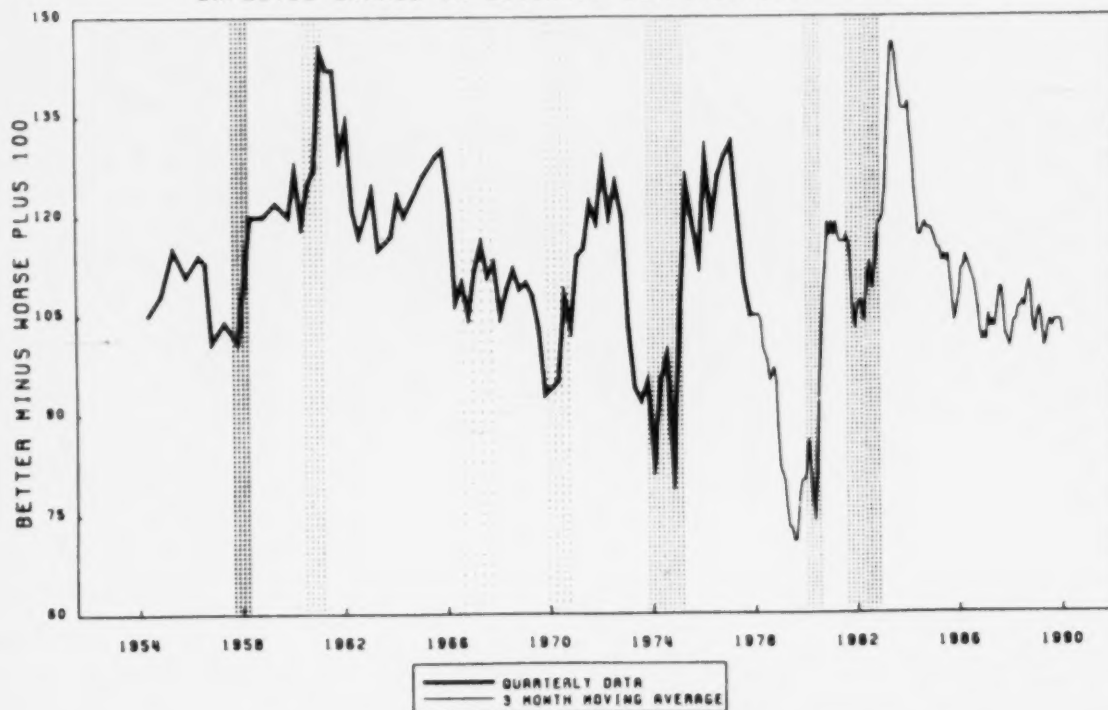


TABLE 13

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990
BETTER	26%	22%	20%	19%	24%	20%	18%	21%	22%	18%	24%	22%	19%
SAME	54	59	57	56	57	63	60	59	61	61	55	59	56
WORSE	17	18	21	22	17	14	19	16	15	18	18	17	23
DK,NA	3	1	2	3	2	3	3	4	2	3	3	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	502	500	503	507	501	502	506	500	502	500	500	511

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

CHART 14 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

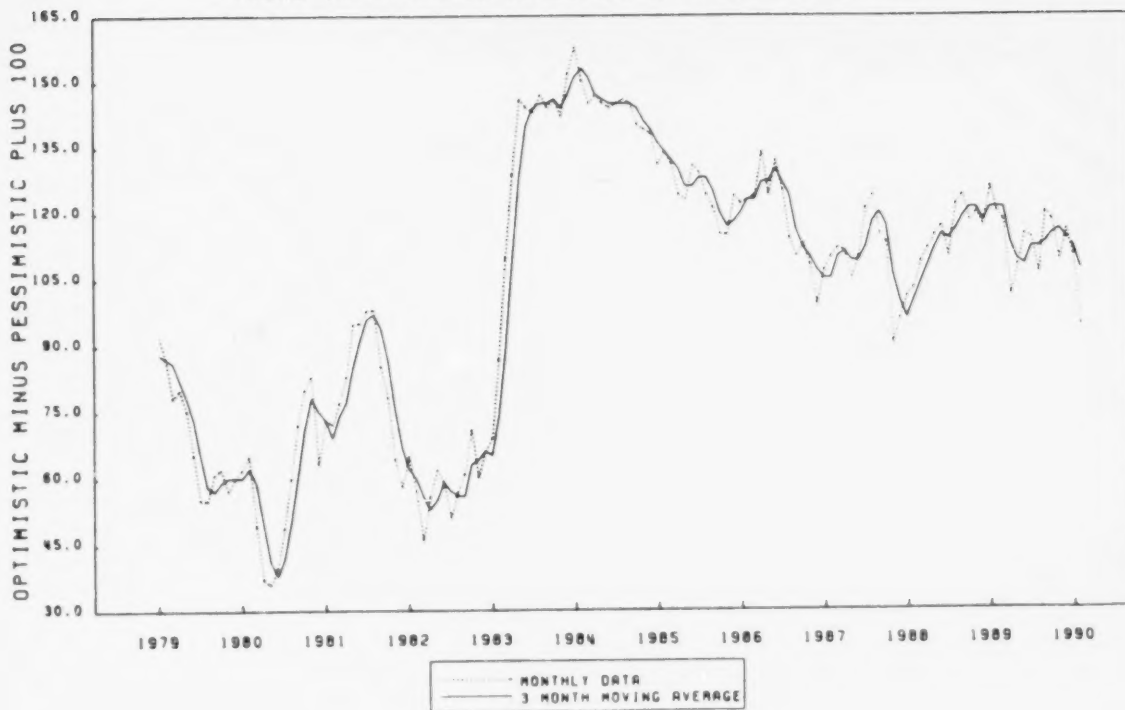


CHART 14 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

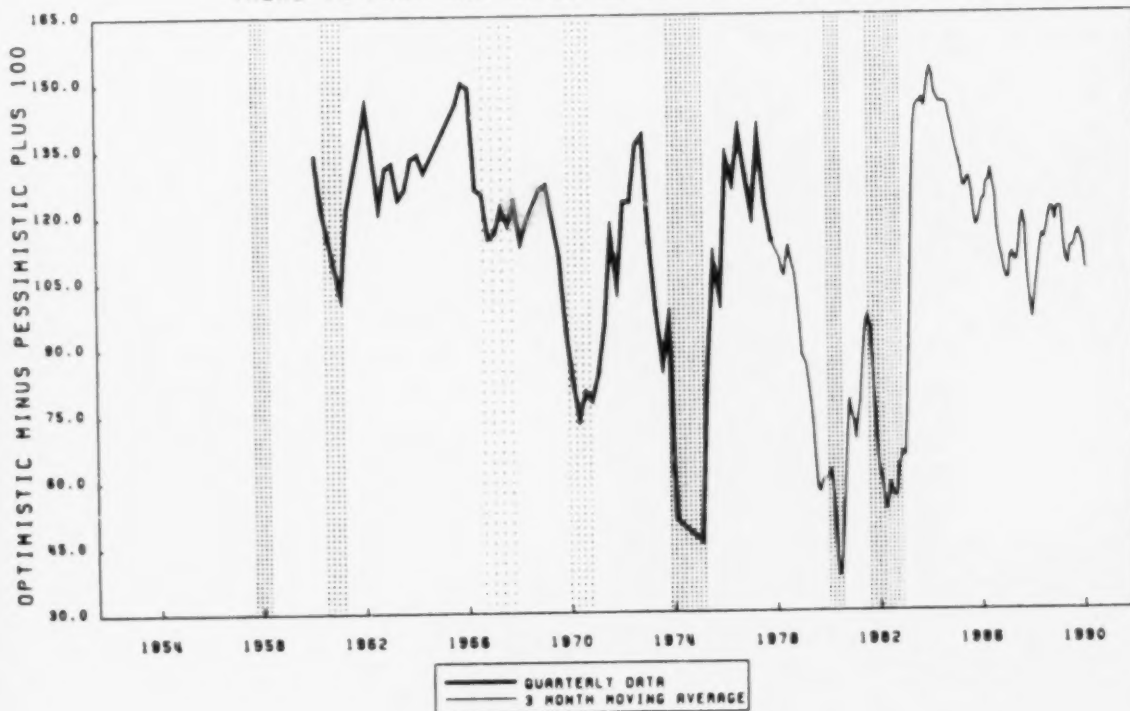


TABLE 14

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb 1990
TREND:													
Continuous increase (a)	18%	12%	14%	13%	15%	14%	11%	14%	15%	10%	15%	14%	11
Intermittant increase (b)	28	33	24	29	30	30	29	34	33	32	29	29	2
Remain unchanged (c)	13	16	13	12	12	16	14	12	13	13	13	12	1
Intermittant decline (d)	21	16	24	20	18	20	22	18	19	21	16	20	2
Continuous decline (e)	5	11	13	14	12	10	12	10	11	12	12	13	1
Mixed change (f)	10	9	8	7	6	4	7	6	5	6	10	8	
DK,NA	5	3	4	5	7	6	5	6	4	6	5	4	
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100
CASES	500	502	500	503	507	501	502	506	500	502	500	500	51

Combination of the responses to the questions on Tables 12 and 13.

Key: (a) Better than a year ago/Better a year from now
 (b) Better/Same or Same/Better
 (c) Same/Same
 (d) Worse/Same or Same/Worse
 (e) Worse/Worse
 (f) Worse/Better or Better/Worse

CHART 15 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS



CHART 15 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

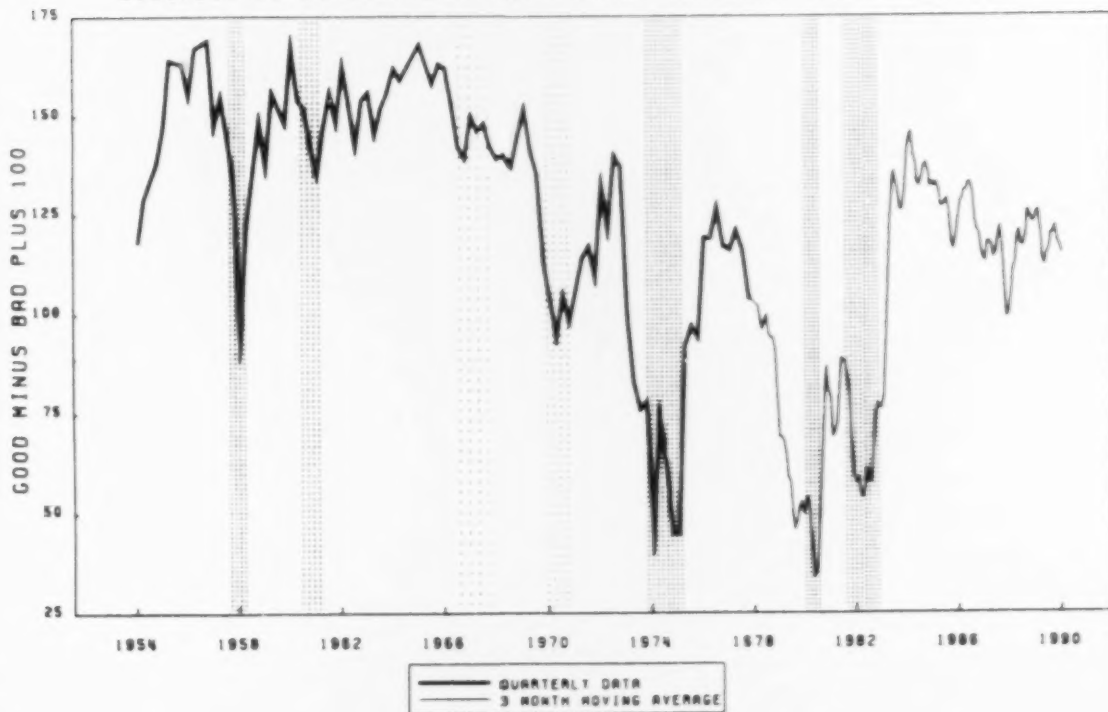


TABLE 15

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990
GOOD TIMES	56%	55%	49%	46%	48%	53%	46%	55%	53%	50%	49%	52%	46%
UNCERTAIN; GOOD & BAD	3	4	3	4	5	4	6	4	5	4	2	3	6
BAD TIMES	28	32	36	39	33	29	37	28	29	34	34	33	35
DON'T KNOW	9	5	6	6	9	7	4	6	8	7	7	6	7
NOT ASCERTAINED	4	4	6	5	5	7	7	7	5	5	8	6	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	502	500	503	507	501	502	506	500	502	500	500	511

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 16 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS



CHART 16 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

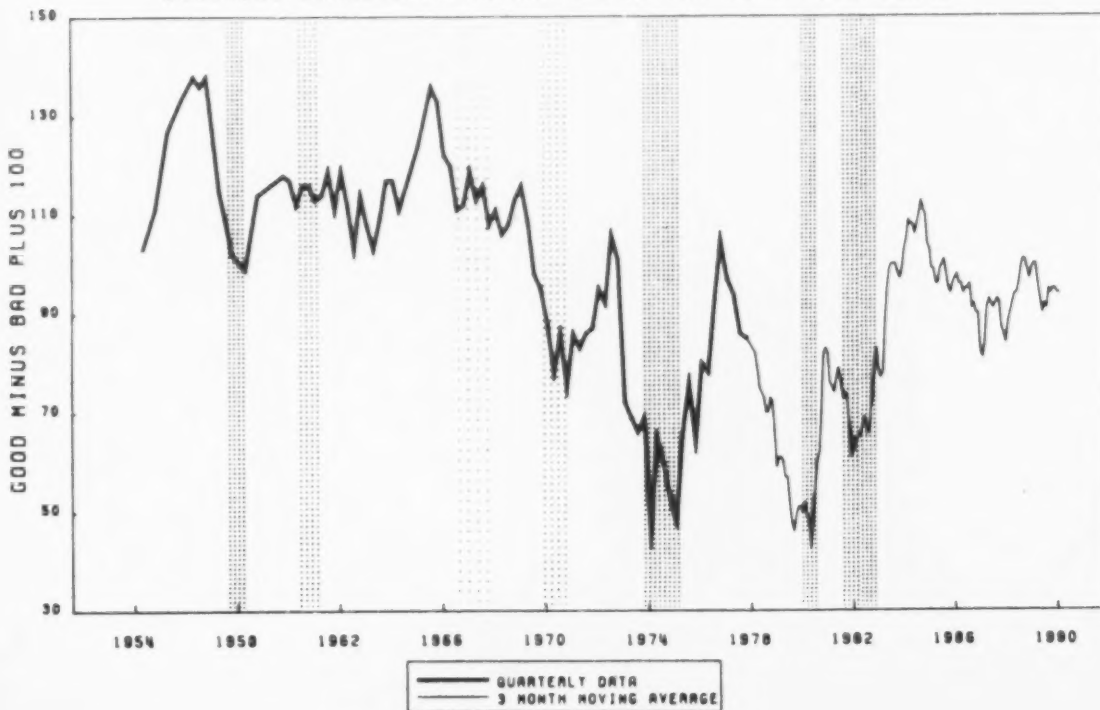


TABLE 16

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990
GOOD TIMES	41%	40%	37%	36%	37%	39%	33%	41%	36%	38%	39%	37%	36%
UNCERTAIN; GOOD & BAD	12	14	13	13	12	13	13	13	14	13	15	12	11
BAD TIMES	42	42	46	47	47	43	45	40	43	46	40	45	46
NOT ASCERTAINED	5	4	4	4	4	5	9	6	7	3	6	6	7
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	502	500	503	507	501	502	506	500	502	500	500	511

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 17 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT



CHART 17 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

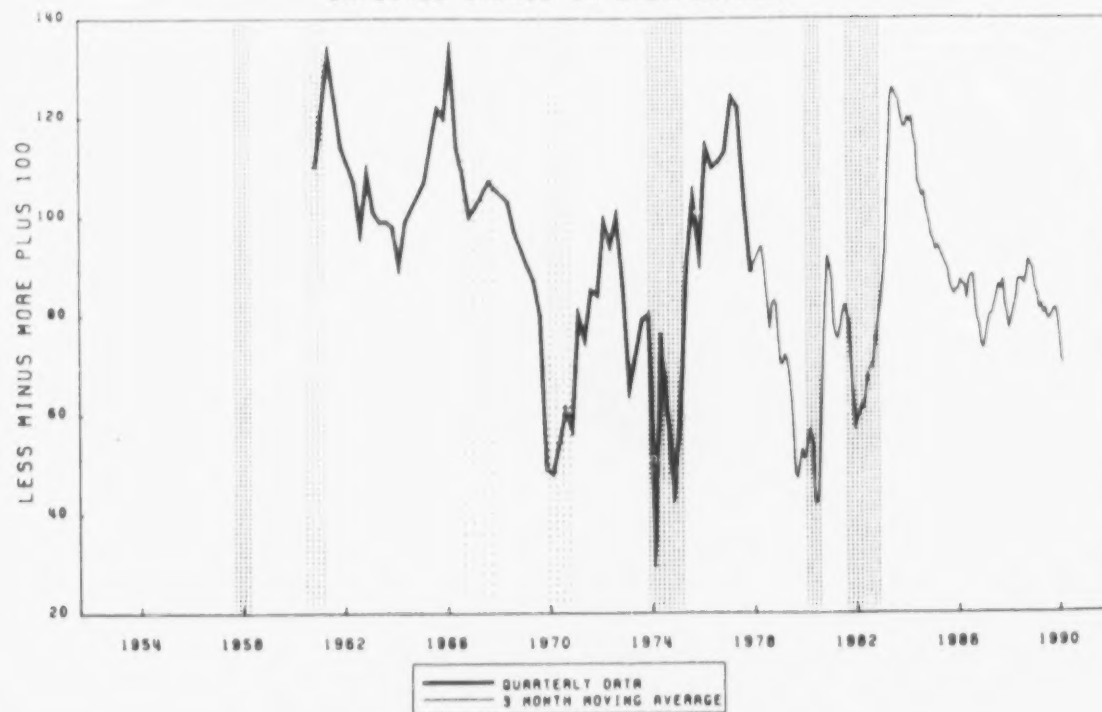


TABLE 17
EXPECTED CHANGE IN UNEMPLOYMENT

	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990
LESS	13%	12%	14%	12%	10%	11%	10%	11%	14%	10%	11%	10%	7%
SAME	55	53	55	52	59	57	54	61	55	54	51	52	48
MORE	30	33	29	35	29	31	35	26	30	35	37	36	44
DK,NA	2	2	2	1	2	1	1	2	1	1	1	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	502	500	503	507	501	502	506	500	502	500	500	511

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

CHART 18 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

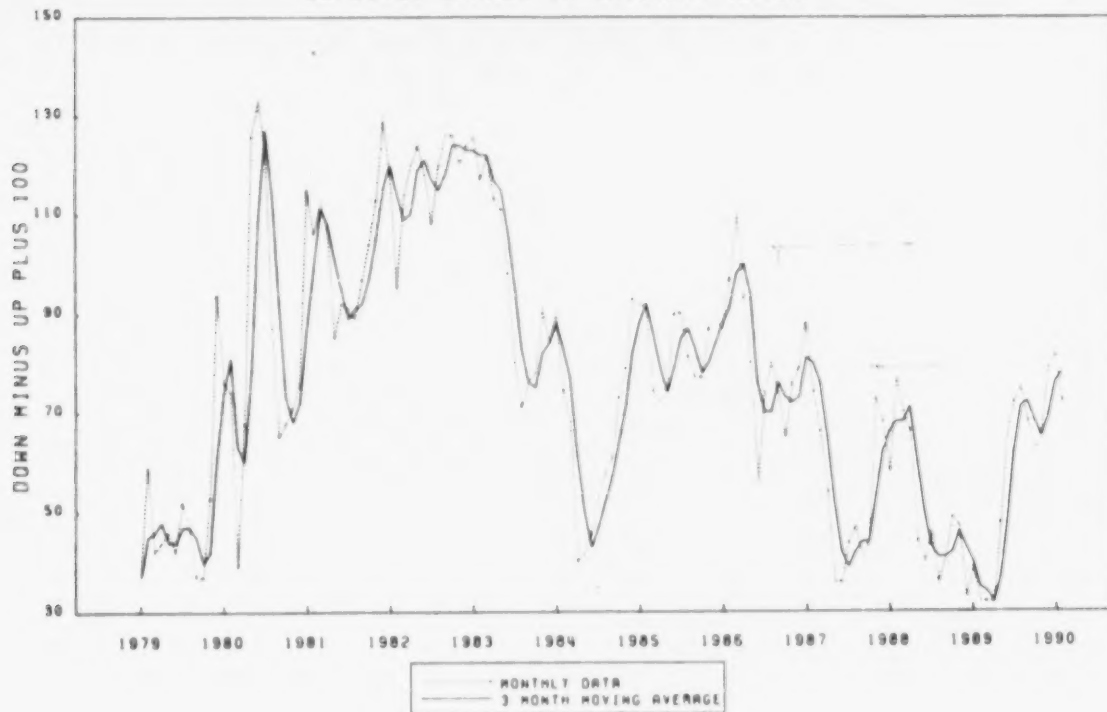


CHART 18 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

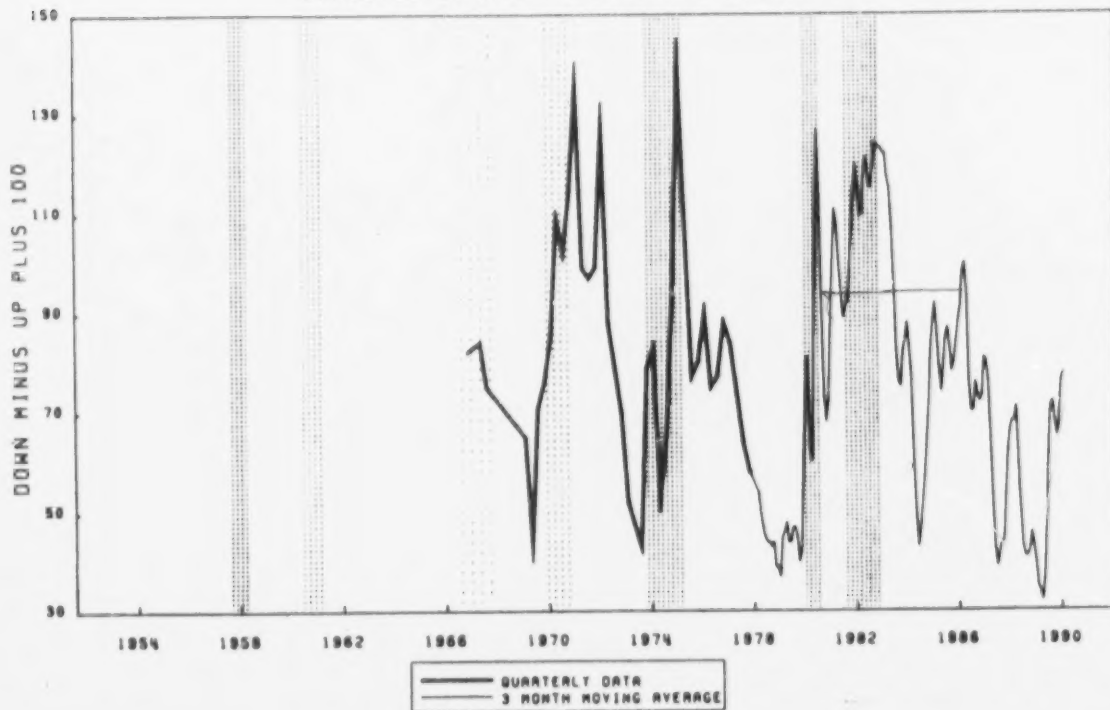


TABLE 18

EXPECTED CHANGE IN INTEREST RATES

	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990
GO UP	75%	73%	75%	64%	54%	51%	49%	50%	55%	52%	46%	45%	48%
STAY THE SAME	16	20	17	20	24	25	24	30	26	27	26	26	29
GO DOWN	7	5	7	12	19	23	24	18	17	18	25	27	20
DK,NA	2	2	1	4	3	1	3	2	2	3	3	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	502	500	503	507	501	502	506	500	502	500	500	511

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 19 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS



CHART 19 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

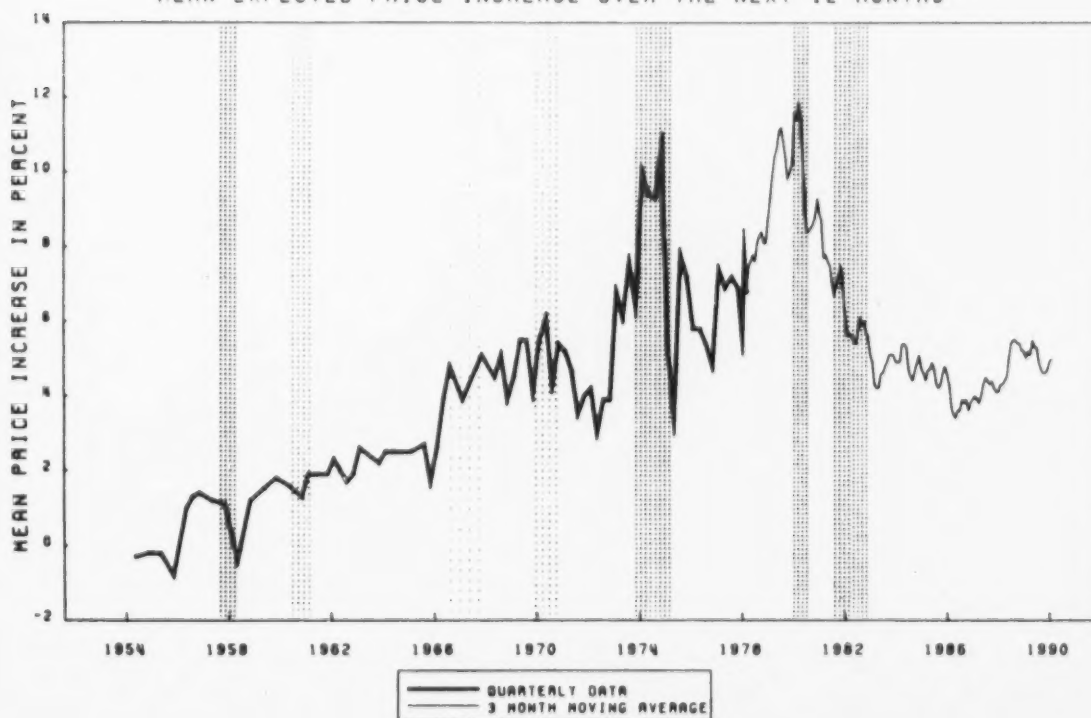


TABLE 19

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990
SAME OR DOWN	11%	12%	8%	10%	10%	10%	13%	13%	12%	12%	10%	11%	15%
WILL GO UP BY:													
1-2%	15	18	17	16	18	18	18	21	19	17	21	14	13
3-4%	24	23	23	19	24	21	23	24	23	26	21	24	23
5%	22	17	21	23	19	22	21	21	19	19	23	21	22
6-9%	10	9	10	9	9	9	6	6	9	7	10	8	10
10-14%	8	9	10	11	10	8	9	6	8	8	5	10	8
15% or more	4	7	5	7	5	5	3	3	3	4	5	5	4
DK how much up	5	4	6	4	5	6	6	5	5	6	5	5	5
DK, NA	1	1	*	1	*	1	1	1	2	1	*	2	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	4.8	5.6	5.0	5.8	5.0	5.1	4.7	4.4	4.7	4.7	4.6	5.4	5.1
VARIANCE	29	64	24	49	34	39	42	32	32	31	28	49	45
CASES	500	502	500	503	507	501	502	506	500	502	500	500	511

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 20 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

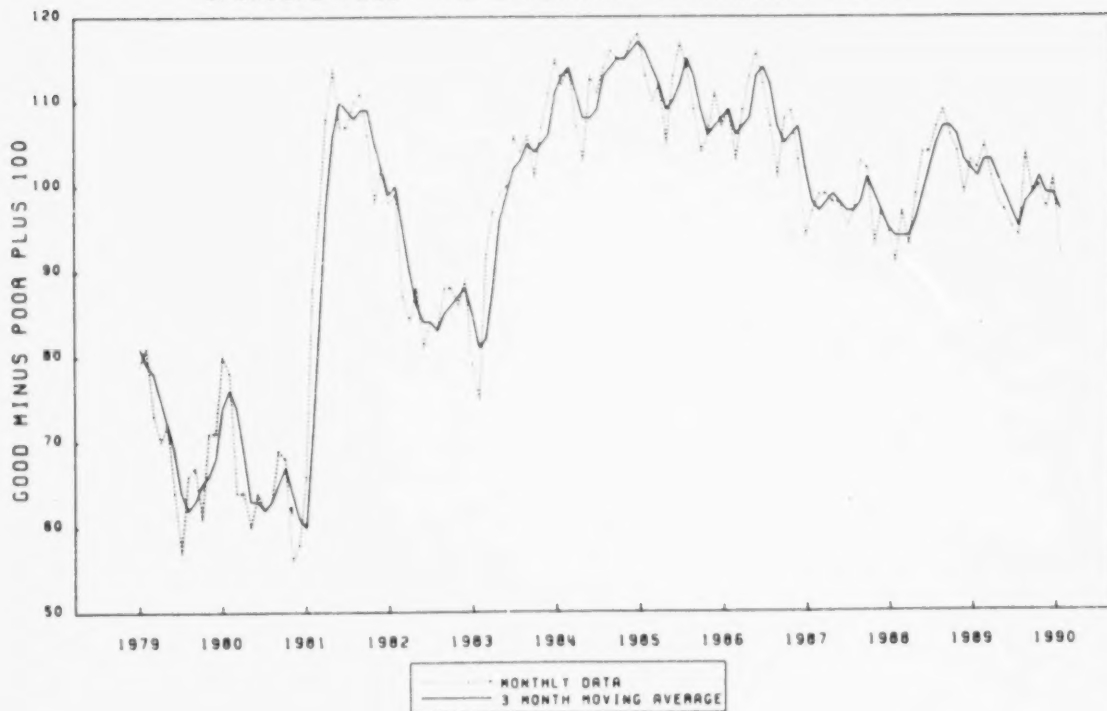


CHART 20 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

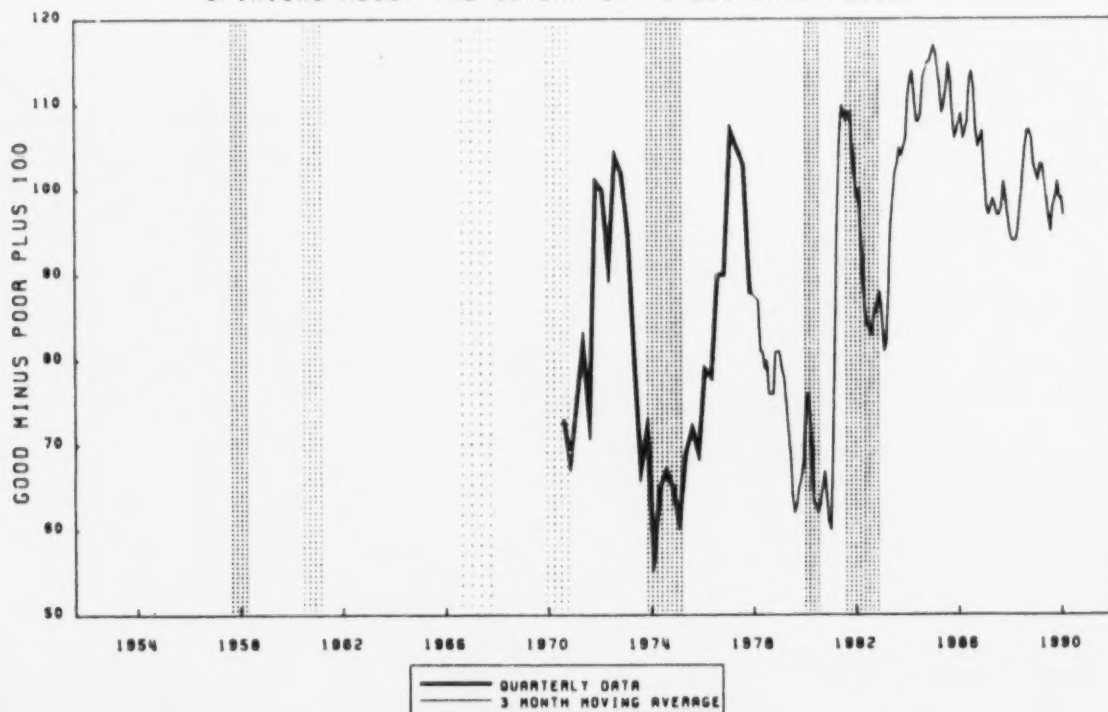


TABLE 20

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990
A GOOD JOB	23%	25%	19%	19%	20%	18%	18%	21%	18%	17%	20%	18%	17%
ONLY FAIR	51	52	59	57	55	56	56	60	61	64	55	63	57
A POOR JOB	21	20	18	21	23	23	24	17	19	17	23	17	25
DK,NA	5	3	4	3	2	3	2	2	2	2	2	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	502	500	503	507	501	502	506	500	502	500	500	511

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 21 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

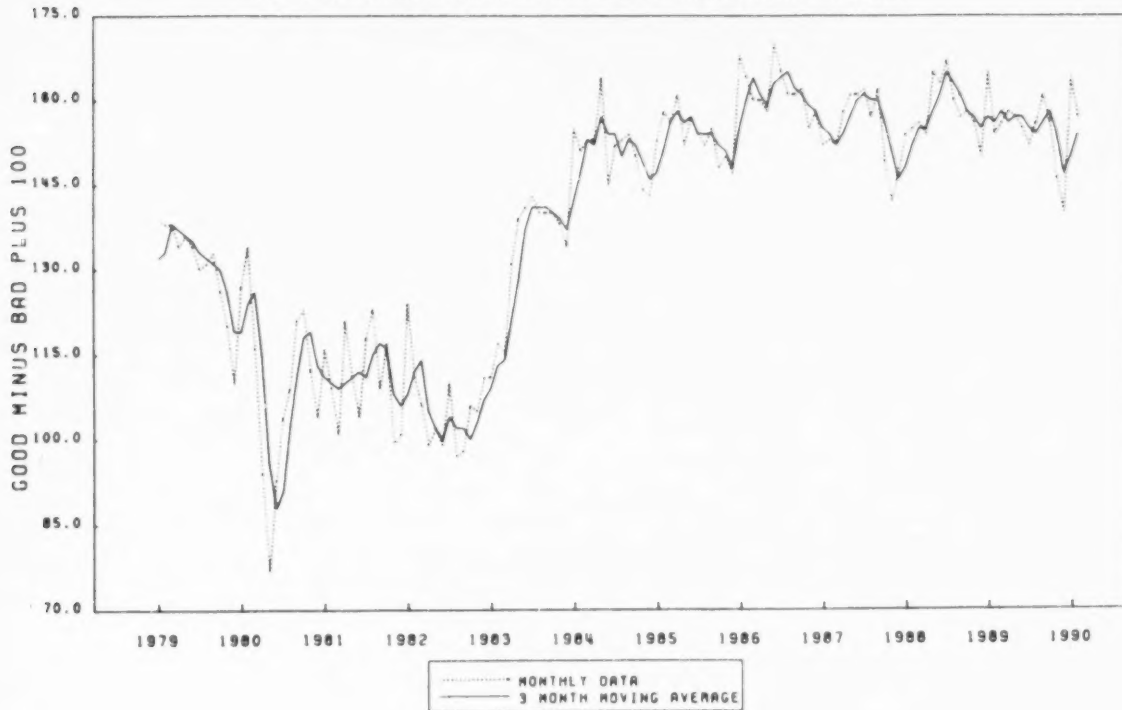


CHART 21 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

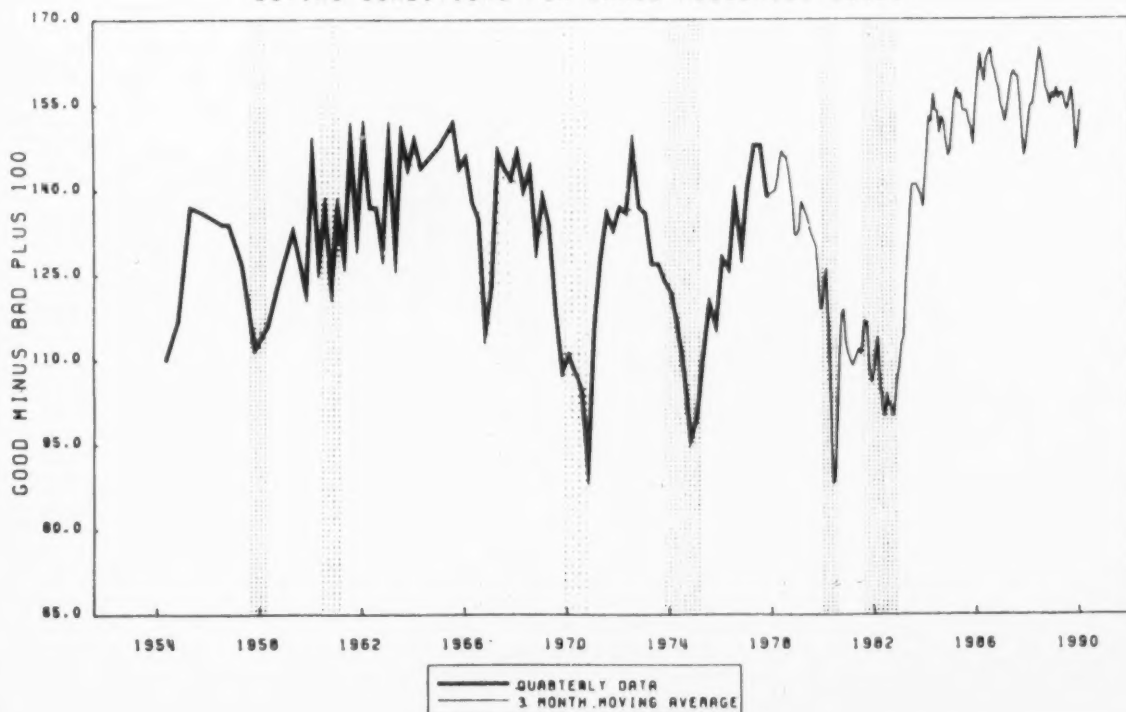


TABLE 21

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990
GOOD TIME TO BUY	71%	72%	75%	73%	71%	71%	73%	75%	73%	67%	65%	77%	74%
UNCERTAIN, DEPENDS	12	12	8	11	13	10	10	11	10	12	10	10	9
BAD TIME TO BUY	17	16	17	16	16	19	17	14	17	21	25	13	17
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	502	500	503	507	501	502	506	500	502	500	500	511

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 22A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

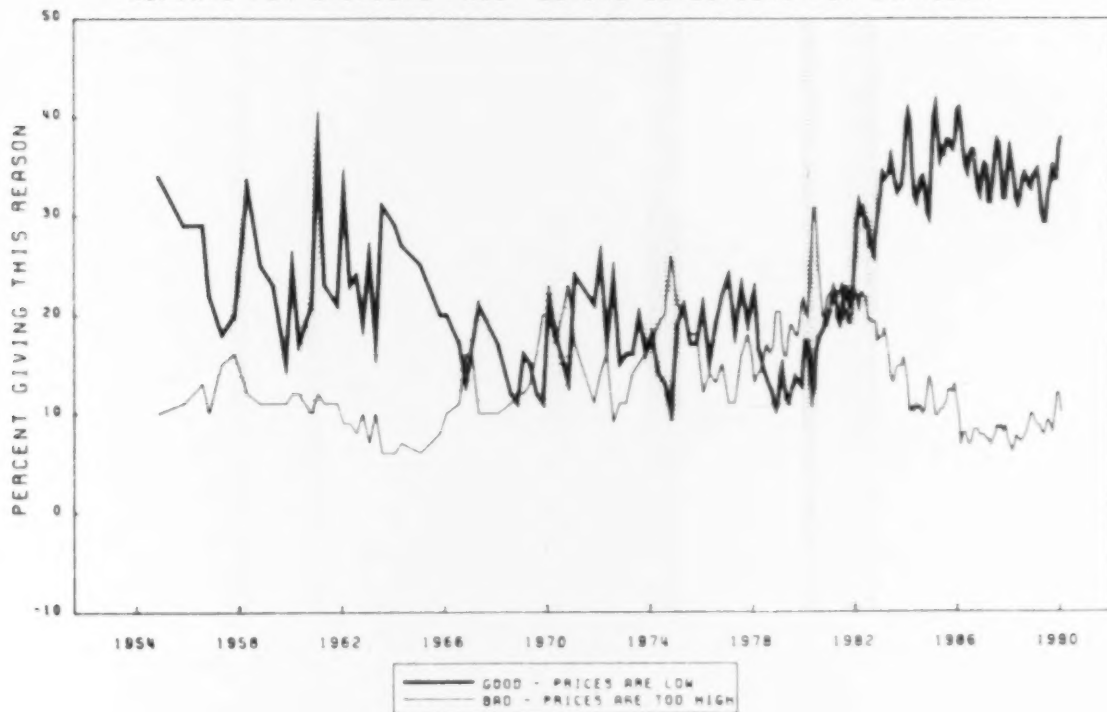


CHART 22B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

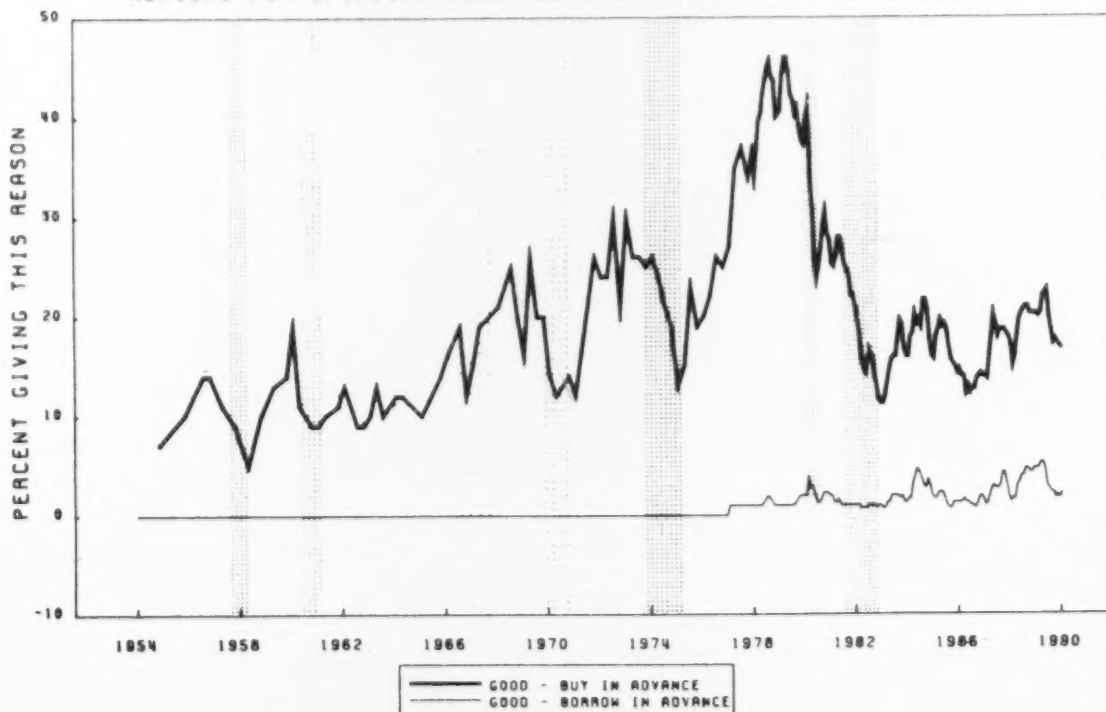


TABLE 22
SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990
GOOD TIME TO BUY:													
Prices are low; good buys available	35%	33%	31%	27%	30%	31%	35%	34%	35%	32%	34%	45%	35%
Prices won't come down; are going higher	19	20	22	24	21	23	16	17	19	17	16	18	16
Interest rates are low	4	6	4	5	5	7	7	7	5	7	5	5	5
Borrow-in-advance of rising interest rates	4	5	7	4	3	2	3	2	2	1	3	1	3
Times are good; prosperity	9	7	8	6	6	5	2	8	6	4	3	4	4
BAD TIME TO BUY:													
Prices are high	9	10	7	7	9	10	9	7	8	14	14	8	8
Interest rates are high; credit is tight	5	5	8	5	6	4	4	2	3	3	4	2	3
Times are bad; can't afford to buy	5	4	4	4	3	3	2	4	4	5	5	2	6
Bad times ahead; uncertain future	3	1	2	3	3	3	3	2	2	1	3	2	2

Responses to the query: "Why do you say so?" following the question on Table 21.
+ : May add to more than 100% due to multiple mentions.

CHART 22C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

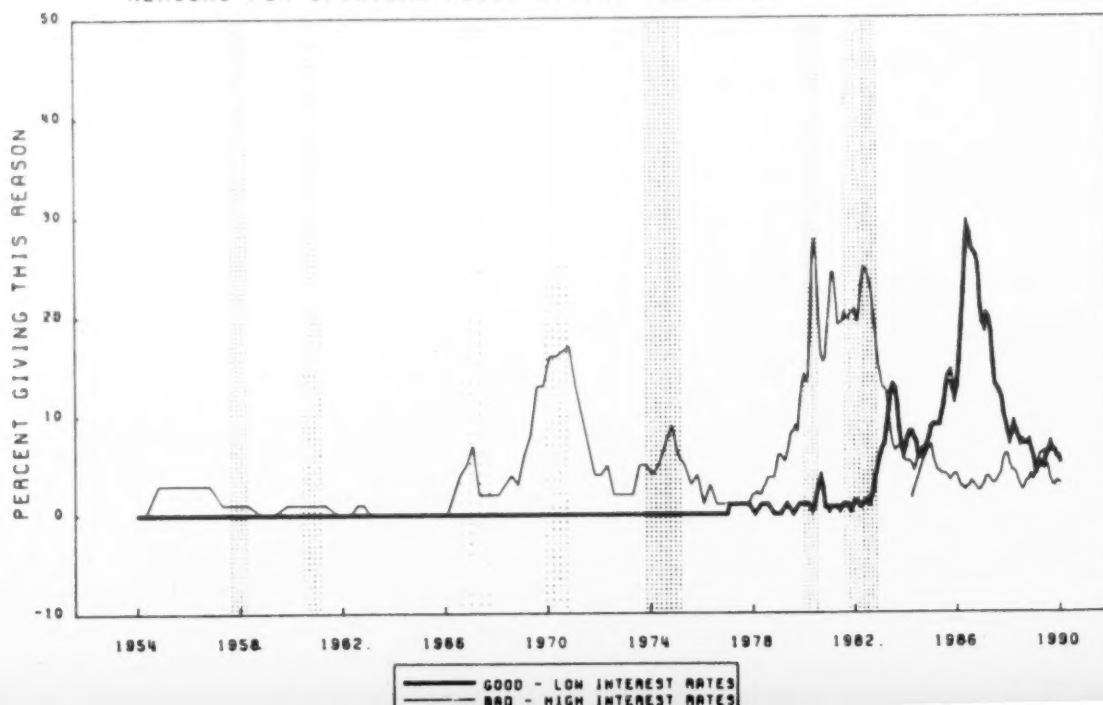


CHART 23 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES



CHART 23 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

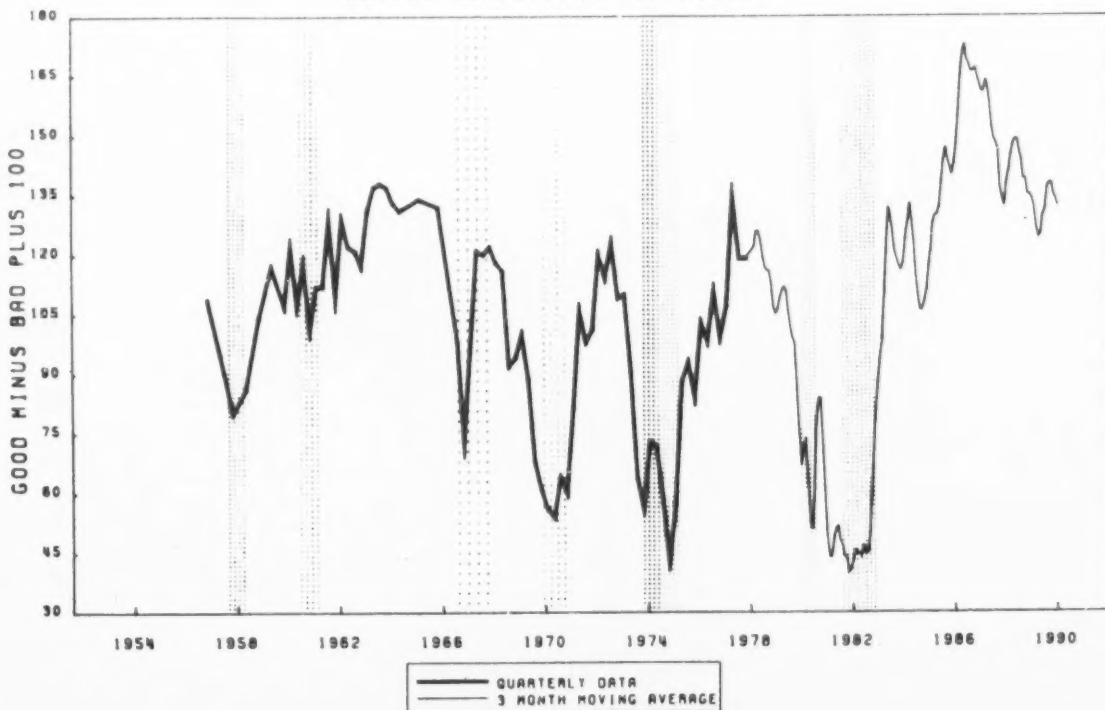


TABLE 23
BUYING CONDITIONS FOR HOUSES

	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990
GOOD TIME TO BUY	64%	60%	58%	61%	61%	64%	64%	70%	66%	63%	64%	64%	62%
UNCERTAIN, DEPENDS	8	5	4	6	5	6	4	4	5	7	6	7	4
BAD TIME TO BUY	28	35	38	33	34	30	32	26	29	30	30	29	34
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	502	500	503	507	501	502	506	500	502	500	500	511

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 24A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

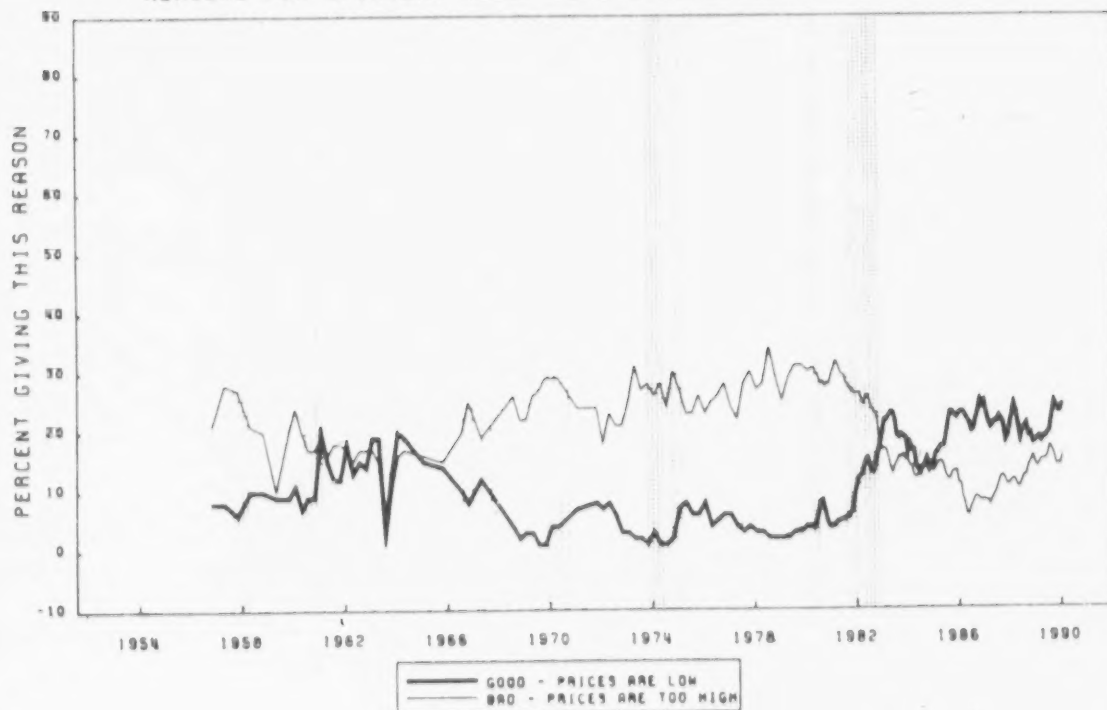


CHART 24B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

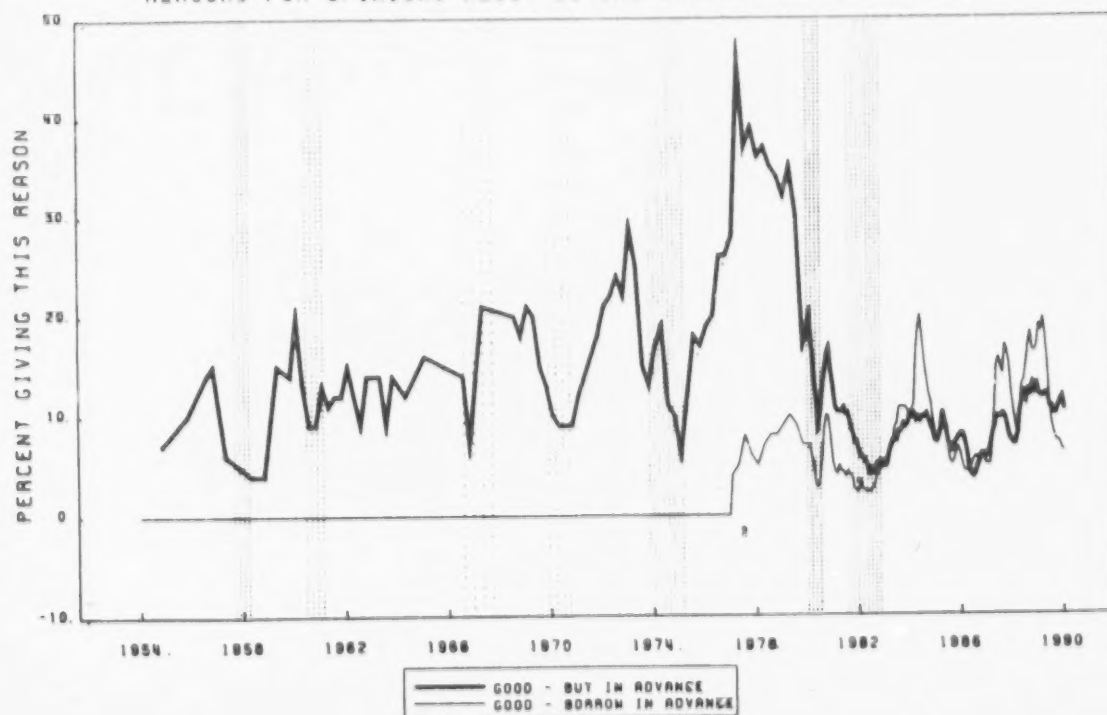


TABLE 24
SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990
GOOD TIME TO BUY:													
Prices are low; good buys available	20%	17%	17%	22%	17%	19%	23%	25%	26%	21%	22%	26%	25%
Prices won't come down; are going higher	10	12	13	11	12	9	11	10	9	13	12	10	9
Interest rates are low	20	17	16	16	22	27	28	36	29	29	26	31	25
Borrow-in-advance of rising interest rates	20	19	20	15	11	8	8	8	6	8	7	4	8
Good investment	7	9	6	8	9	8	6	7	6	8	8	8	6
Times are good; prosperity	5	2	4	4	3	5	3	4	5	2	3	2	3
BAD TIME TO BUY:													
Prices are high	13	16	16	13	16	18	18	14	15	13	15	14	18
Interest rates are high; credit is tight	12	24	28	25	23	15	15	14	13	15	17	13	18
Times are bad; can't afford to buy	6	7	7	6	5	6	6	6	6	8	6	6	8
Bad times ahead; uncertain future	3	3	4	3	2	2	2	2	1	2	3	4	2

Responses to the query: "Why do you say so?" following the question on Table 23.
+ : May add to more than 100% due to multiple mentions.

CHART 24C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

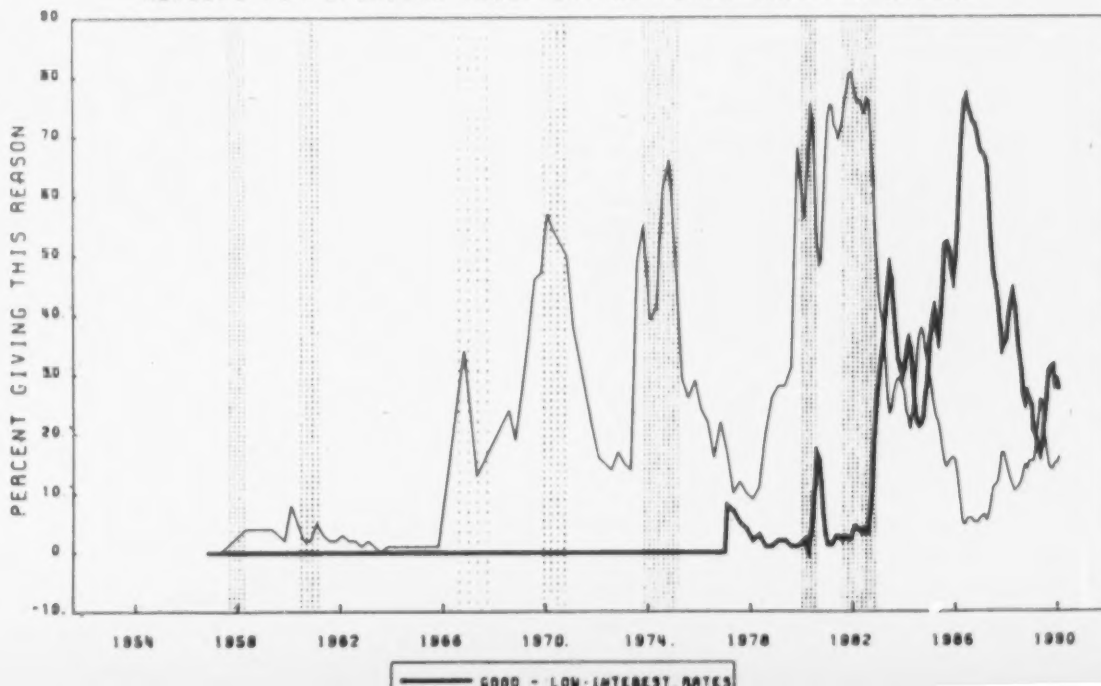


CHART 25 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

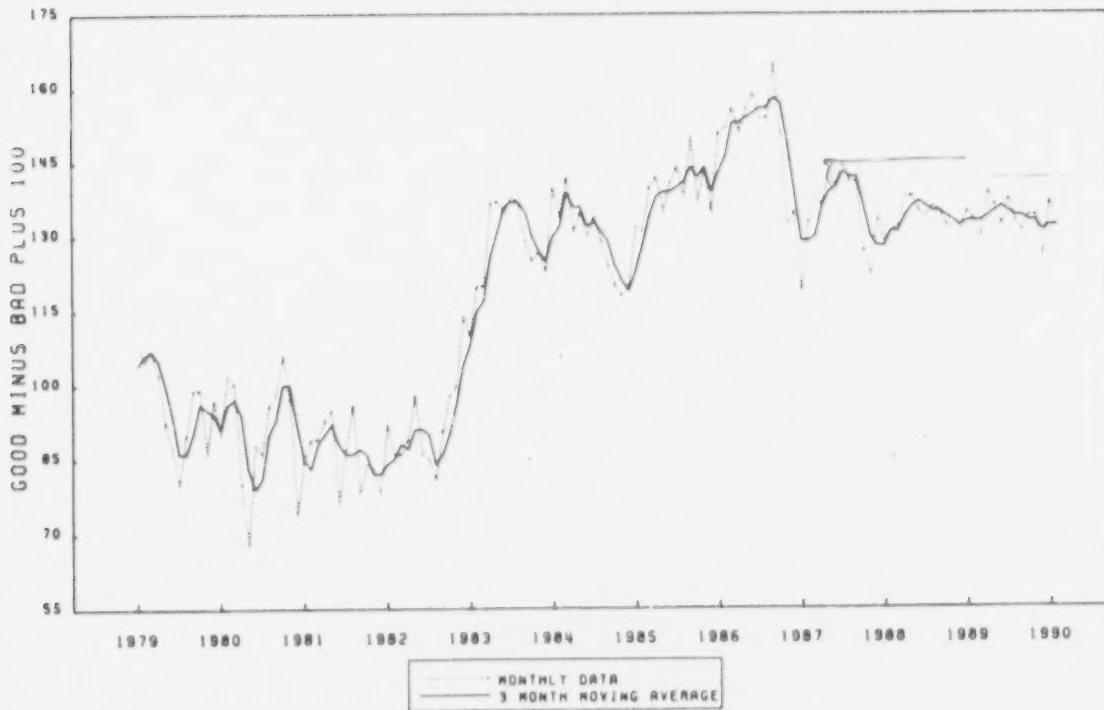


CHART 25 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

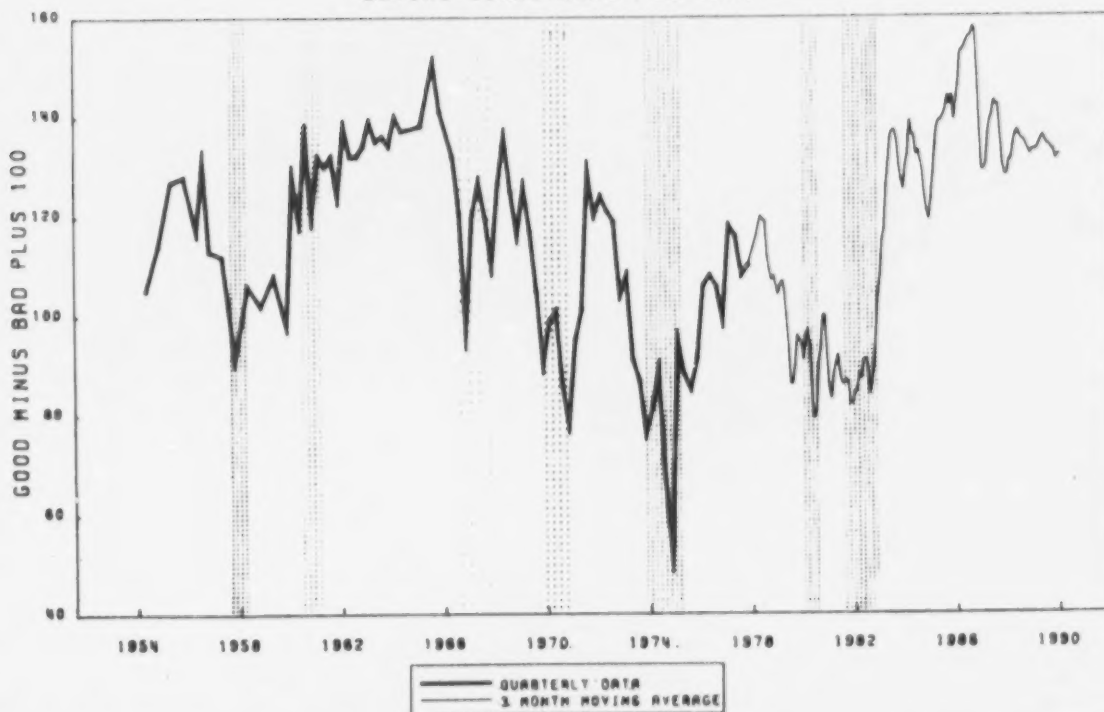


TABLE 25

BUYING CONDITIONS FOR CARS

	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990
GOOD TIME TO BUY	61%	61%	65%	63%	61%	64%	61%	61%	62%	62%	58%	63%	63%
UNCERTAIN; DEPENDS	11	8	9	10	10	10	11	9	10	10	10	11	6
BAD TIME TO BUY	28	31	26	27	29	26	28	30	28	28	32	26	31
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	502	500	503	507	501	502	506	500	502	500	500	511

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 26A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

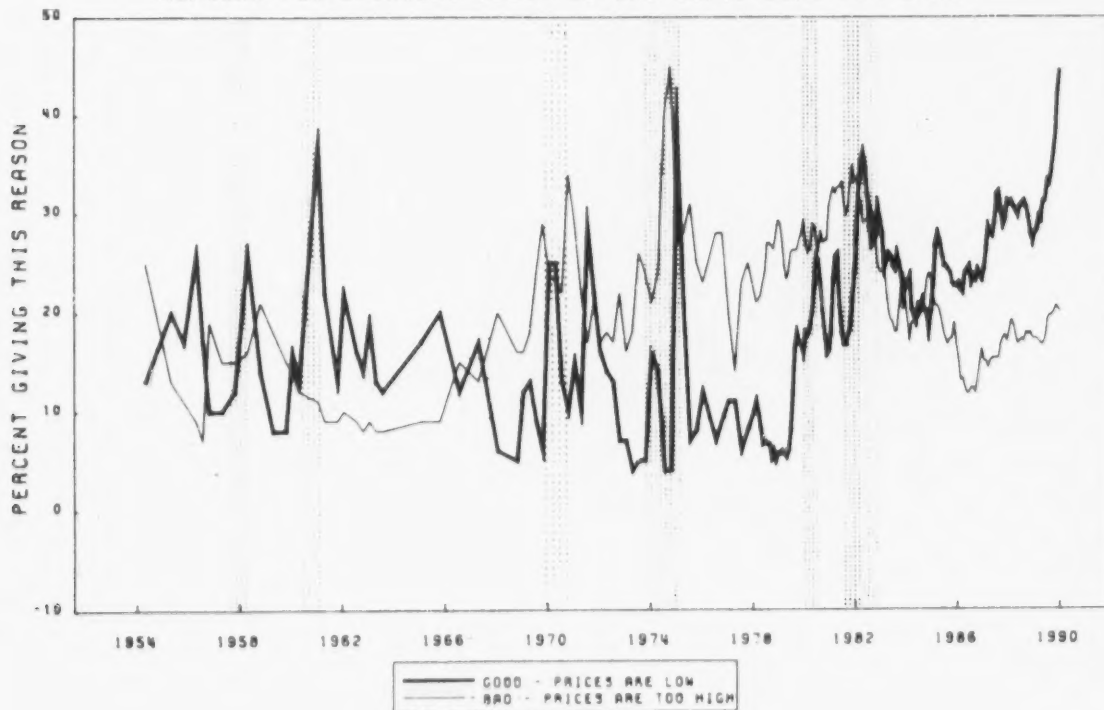


CHART 26B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

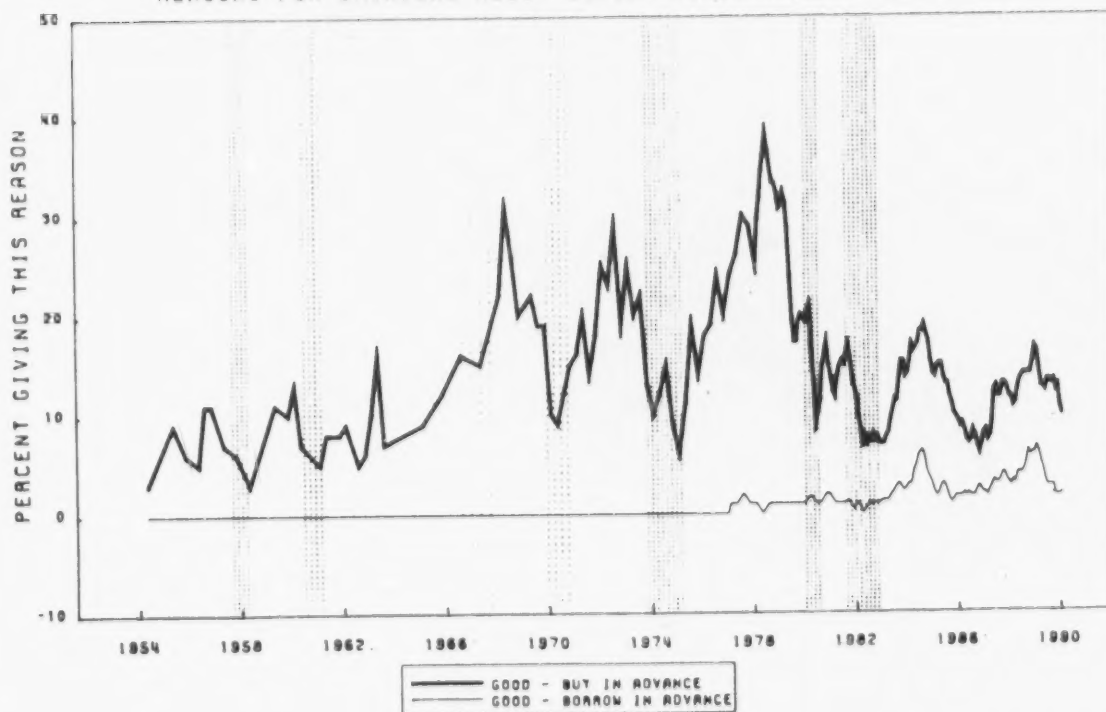
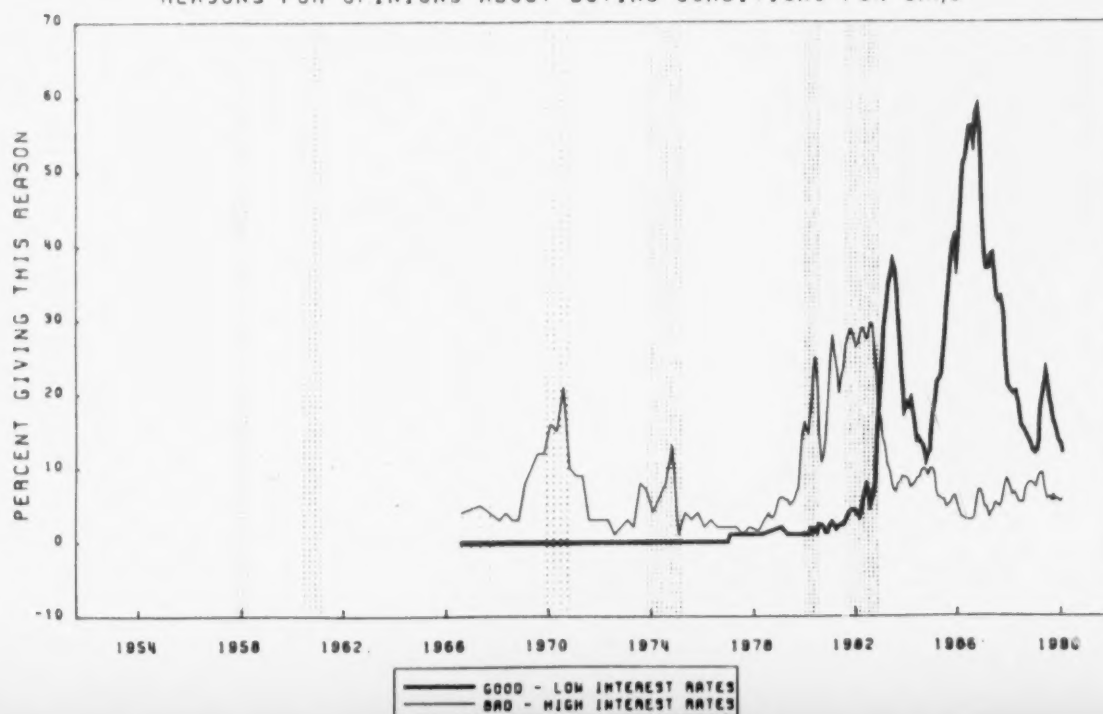


TABLE 26
SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	Feb. 1989	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990
GOOD TIME TO BUY:													
Prices are low; good buys available	30%	27%	32%	29%	33%	32%	35%	32%	36%	41%	38%	48%	48%
Prices won't come down; are going higher	14	12	12	14	11	15	14	10	16	11	11	10	8
Interest rates are low	15	15	25	23	21	19	18	18	13	15	13	12	11
Borrow-in-advance of rising interest rates	6	5	4	4	2	2	4	2	2	1	2	2	2
Times are good; prosperity	4	3	3	3	2	3	2	4	3	2	1	2	2
BAD TIME TO BUY:													
Prices are high	17	18	16	16	18	18	22	19	18	23	21	17	22
Interest rates are high; credit is tight	6	13	9	6	7	4	7	6	6	5	6	5	6
Times are bad; can't afford to buy	4	2	3	4	3	2	2	5	4	4	4	2	4
Bad times ahead; uncertain future	1	2	3	2	1	1	2	1	2	1	1	2	2
Poor selection; quality	3	3	2	3	2	3	2	3	2	3	4	3	3

Responses to the query: "Why do you say so?" following the question on Table 25.
+ : May add to more than 100% due to multiple mentions.

CHART 26C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS



EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES

THE INDEX OF CONSUMER SENTIMENT

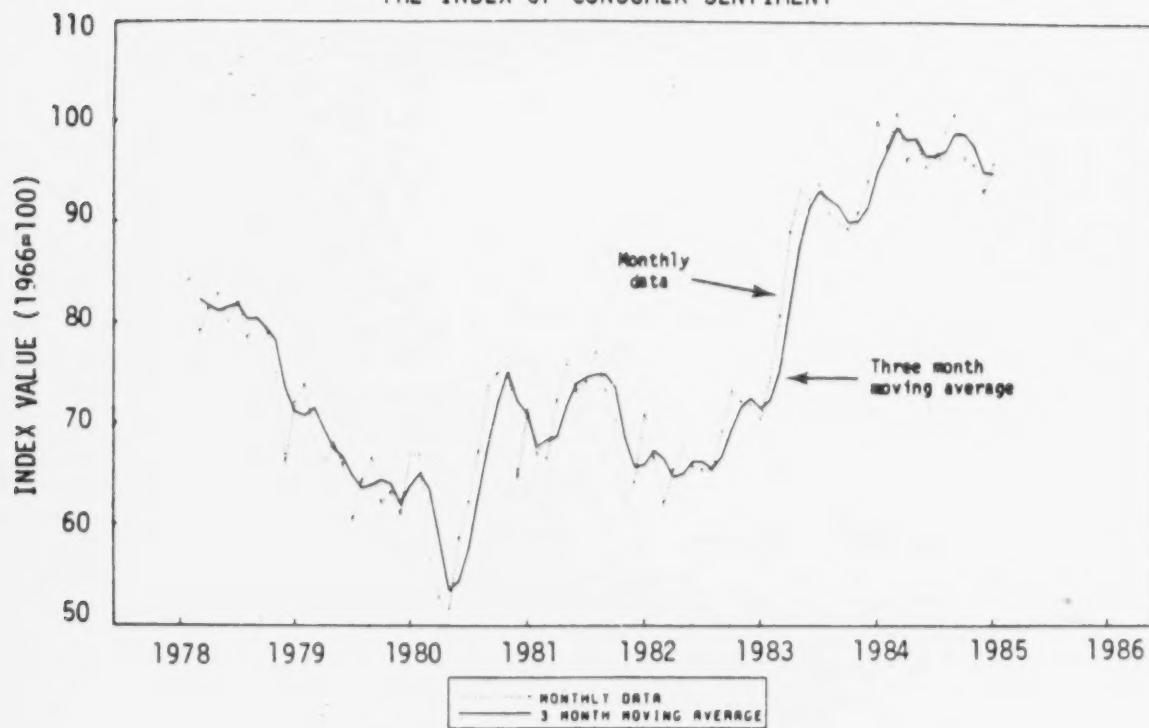
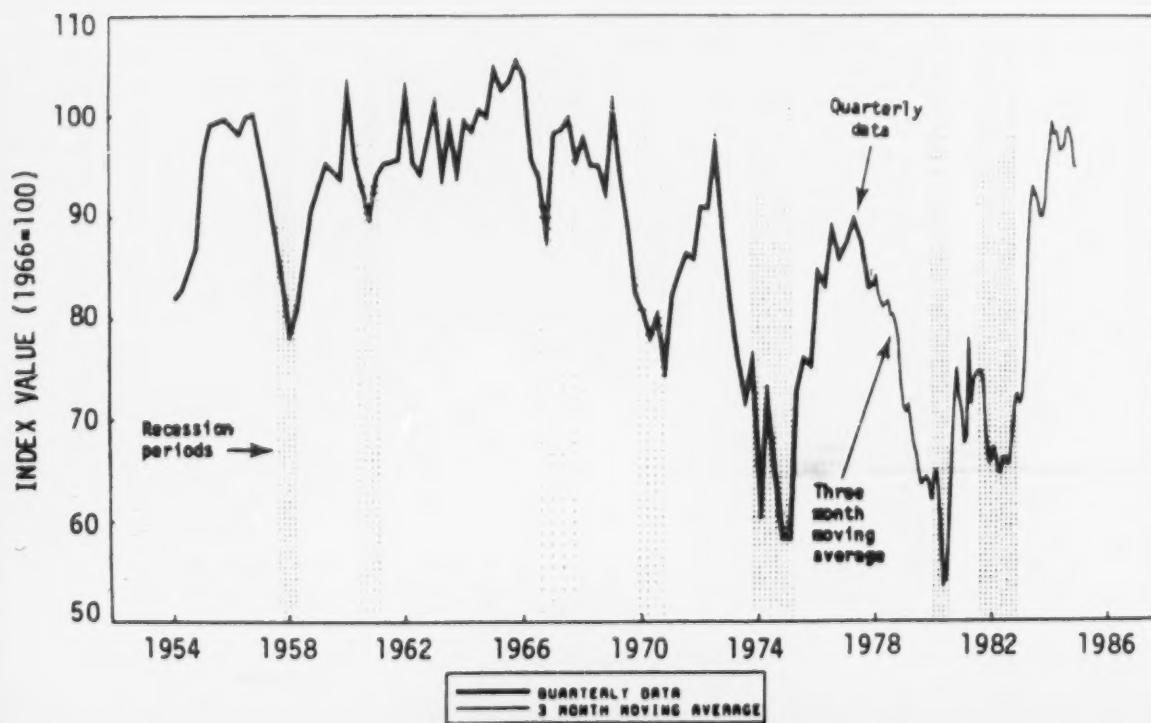


CHART 1 - HISTORICAL SERIES

THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHARTS

DATA POINTS

QUARTERLY DATA: Data collected by surveys conducted at three month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE-MONTH
MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

TIME SCALE

Each tic mark on the time scale represents the month of January for the indicated year.

RECESSION PERIODS

November	1948 - October	1949
July	1953 - May	1954
August	1957 - April	1958
April	1960 - February	1961
June	1966 - November	1967*
December	1969 - November	1970
November	1973 - March	1975
January	1980 - July	1980
July	1981 - November	1982

Recession dates are determined by the National Bureau of Economic Research.

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters

*GROWTH RECESSION: Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

RECOMMENDED ALLOWANCE FOR SAMPLING ERROR OF A PERCENTAGE
(Sampling Error Allowance in Percentage Points¹)

For Estimated Percentage Near	Number of Interviews											
	100	200	300	400	500	750	1000	1250	1500	2000	2500	3000
1% or 99%	2.2	1.6	1.3	1.1	1.0	0.8	0.7	0.6	0.6	0.5	0.4	0.4
5% or 95%	4.9	3.5	2.8	2.4	2.2	1.8	1.5	1.4	1.3	1.1	1.0	0.9
10% or 90%	6.7	4.8	3.9	3.4	3.0	2.4	2.1	1.9	1.7	1.5	1.3	1.2
20% or 80%	9.0	6.3	5.2	4.5	4.0	3.3	2.8	2.5	2.3	2.0	1.8	1.6
30% or 70%	10.3	7.3	5.9	5.1	4.6	3.7	3.2	2.9	2.6	2.3	2.0	1.9
40% or 60%	11.0	7.8	6.3	5.5	4.9	4.0	3.5	3.1	2.8	2.4	2.2	2.0
50%	11.2	7.9	6.5	5.6	5.0	4.1	3.5	3.2	2.9	2.5	2.2	2.0

¹The figures in this table represent two standard errors. Hence, the chances are 95 in 100 that the true percentage lies within a range equal to the observed percentage, plus or minus the sampling error.



March 1990 Monthly Survey

April 6, 1990

Surveys of Consumers

Richard T. Curtin, *Director*

Record Awareness of Price Reductions

Index Posts Small Improvement

The Index of Consumer Sentiment was 91.3 in the March 1990 survey, up from 89.5 in February. For the first quarter of 1990 as a whole, the Index averaged 91.3, largely unchanged from the fourth quarter average of 91.8.

Although the Index has remained relatively stable in recent months, it has been at a lower level than in the first quarter of 1989, when it averaged 95.9. Compared with a year ago, consumers now hold less favorable prospects for the general economy. Although no recession is expected during the year ahead, most consumers expect only slow economic growth.

The heightened inflationary fears sparked at the turn of the year have now cooled. Moreover, record numbers of consumers reported in the March 1990 survey the availability of lower and discounted prices on vehicles and homes. Offsetting the positive impact of price reductions, consumers have not favorably responded to the current level of interest rates.

The March improvement in sentiment was somewhat larger among high income families, but so too was the February decline. Among families with incomes of \$40,000 or more, the Index of Consumer Sentiment rose to 98.8 in March from 91.8 in February, nearly regaining the January 1990 level of 103.2.

Leading Indicator Remains Unchanged

The Index of Consumer Expectations, the component of the Index of Leading Indicators, stood at 81.3 in the March 1990 survey, identical to the February reading. Compared with a year earlier, however, the Index of Consumer Expectations was significantly lower (down 6.6 Index points). The decline from last year was largely due to less favorable short-term prospects for the general economy.

The entire March improvement was recorded in consumers' assessments of current economic conditions. The Index of Current Economic Conditions rose to 106.9 in March 1990 from 102.3 one month earlier and 104.8 one year earlier. The March gain was due to improved assessments by consumers of their current financial situation, reversing the declines caused by the freeze-induced price increases at the turn of the year.

Heightened Price Sensitivity: Squeezes Profits, Dampens Inflation

Attitudes toward buying conditions for vehicles, homes, and household durables each modestly improved in the March 1990 survey. The recent improvement was due to more favorable perceptions of market prices. Indeed, references to lower or discounted prices for homes and vehicles were at all-time record levels in the March 1990 survey. Declines in real estate prices as well as the

continued heavy emphasis on price discounts by vehicle manufacturers led to these new records.

Consumers not only expect discounted prices to be available, but are also willing to postpone purchases in their absence. This heightened sensitivity to pricing will continue to pressure the profit margins of individual sellers, and in the aggregate, provide resistance to inflationary pressures.

In the decade of the 1970s, sellers could not only pass-through current cost increases into higher product prices, but even anticipated cost increases, without much consumer resistance. Moreover, the buy-in-advance mentality of the 1970s meant consumers' reactions tended to accelerate inflation: each new round of price increases acted to quicken the pace of sales, as consumers feared that prices would only be higher in the future.

In sharp contrast, consumers' reactions now tend to dampen inflationary trends. Price increases are now resisted by consumers rather than being accepted. This acts to slow demand and reduce inflationary pressures. It also means that the squeeze on profits is likely to continue, as the sellers' ability to pass-through cost increases will remain limited.

Reports of Lower Home Prices Reach Record Level

Favorable home buying attitudes were held by 66 percent of all families in the March 1990 survey, up from 62 percent one month earlier and 60 percent one year earlier. Although the March reading represents a favorable assessment of home buying conditions, the proportion holding favorable home buying attitudes is still well below the cyclical peak of 86 percent recorded in 1986.

The availability of lower home prices was reported by 29 percent of all families in the March 1990 survey, up from 25 percent in February and 17 percent in March 1990. At 29 percent, the March 1990 reading was the highest proportion recorded in forty years. Gone are the days when the only favorable thing consumers could say about current home prices was that they would be even higher in

the future. These buy-in-advance price rationales, that dominated consumers attitudes in the 1970s, have now all but vanished.

References to the availability of lower mortgage interest rates were made by 28 percent of all families in the March 1990 survey, up from 25 percent one month earlier and 17 percent one year earlier. Acting to offset this improvement, fewer consumers mentioned the advisability of borrowing-in-advance of rising mortgage rates in the March 1990 survey (6 percent) than one month earlier (8 percent) or one year earlier (19 percent).

Although consumers' assessments of the level of mortgage interest rates are now positive, it is only by a small margin (28 percent mentioned low rates versus 18 percent that complained about high mortgage rates). In contrast, the peak in favorable home buying attitudes reached earlier in the expansion was dominated by very favorable views of mortgage rates. At the 1986 peak, 83 percent of all families referred to the availability of low mortgage rates compared with just 4 percent that complained about high mortgage rates.

Reports of Vehicle Price Discounts Remain at Record Levels

Favorable attitudes toward buying conditions for vehicles were held by 65 percent of all families in the March 1990 survey, up from 63 percent one month earlier and 61 percent one year earlier. Despite this small improvement, the overall trend in vehicle buying attitudes has remained relatively flat throughout the past year.

To a larger extent than at any time in the past, favorable vehicle attitudes have been based on the availability of price discounts. For the third consecutive month, 48 percent of all families in the March 1990 survey referred to the price discounts offered by vehicle manufacturers when asked to explain their views. This represents the highest level ever recorded in the history of these surveys.

In contrast to these very favorable price perceptions, the level of interest rates played a very small

positive role. Among all families in the March 1990 survey, just 11 percent mentioned the availability of lower interest rates on vehicle loans. Apparently, the discounted interest rates offered by vehicle manufacturers have not been low enough to attract much consumer attention. As with the housing market, it was the very favorable perceptions of interest rates in 1986 that accounted for the peak levels in vehicle buying attitudes.

Household Durables

Favorable attitudes toward buying conditions for furniture, appliances and home electronics were held by 76 percent of all families in the March 1990 survey, up from 74 percent one month earlier and 72 percent one year earlier. These positive assessments continue to be dominated by references to low and discounted prices. In the March 1990 survey, 36 percent made favorable references to current prices, just ahead of the 35 percent recorded in February and the 33 percent recorded in March 1989.

Personal Finances Regain Winter Losses

Consumers' evaluations of their current financial situation rebounded in the March survey, reflecting the temporary impact from the price increases caused by the unusually cold winter.

Among all families, 43 percent reported that their financial situation had improved during the past year, up from 38 percent in February. Increases in incomes were reported by 32 percent of all households in the March 1990 survey, up from 30 percent in both the month earlier and year earlier surveys. Just 11 percent of all families reported income declines in the March 1990 survey, down from 16 percent one month earlier, and 13 percent one year earlier.

American families remained upbeat about the outlook for their finances. An improved financial situation was expected by 37 percent of all families in the March 1990 survey, between the 35 percent

one month earlier and the 40 percent recorded one year earlier. Rather than worsening finances, families were most likely to expect their net financial situation to remain unchanged, considering changes in both incomes and prices. Just 12 percent of all families in the March 1990 survey expected their financial situation to worsen during the year ahead.

Inflation Expectations Ease

Consumers expected an annual inflation rate of 4.9% in the March 1990 survey, down from 5.4% at the start of the year and 5.6% in March of 1989. The easing of concerns with inflation since the start of the year reflects that consumers now perceive the impact of the winter weather on prices to be only temporary.

Stagnant Economy: Last Year and Next

The sluggish growth in the national economy has been clearly reflected in consumers' assessments. The proportion of families that thought the national economy had improved during the past year stood at 36 percent in the March 1990 survey, unchanged from February, but significantly below the 47 percent recorded in March of 1989. Indeed, more families in the March 1990 survey thought that the economy had worsened rather than improved during the past year by a margin of 42 to 36 percent.

Moreover, most families expected the same sluggish performance of the national economy to persist during the year ahead (58 percent). Many fewer expected the economy's performance to either improve (22 percent) or worsen (18 percent) in the March 1990 survey.

Although the economy is expected to remain sluggish, no recession is expected. Given the length of the current expansion, most consumers considered the prospect for an even longer expansion favorably—but the margin of favorable opinion has diminished during the past year. Good times financially in the economy as a whole were expected by 48 percent of all families in the March

1990 survey. Although this was a slight improvement from the 46 percent recorded one month earlier, it remained below the year earlier figure of 55 percent.

Unemployment Concerns Lessen

Concerns about rising unemployment have lessened, reverting to the levels recorded one year earlier. Among all families in the March 1990 survey, 34 percent expected the national

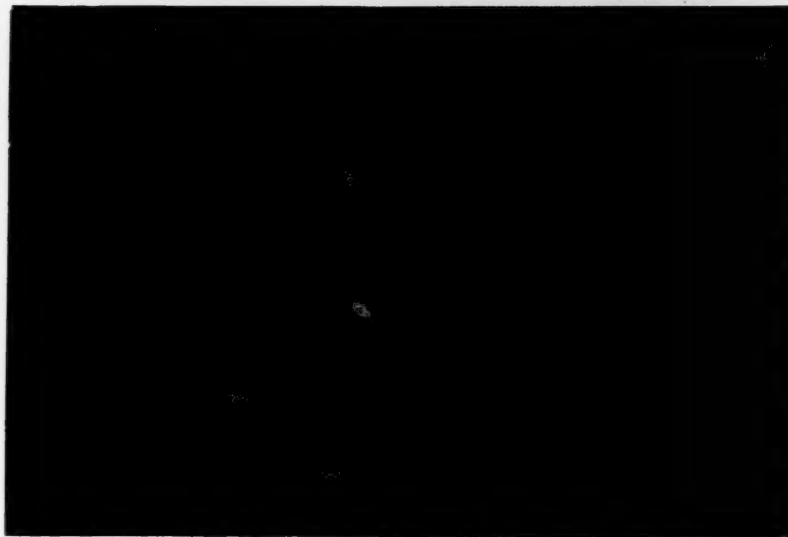
unemployment rate to increase during the year ahead, sharply down from the 44 percent recorded one month earlier and nearly equal to the 33 percent recorded one year earlier. Overall, the majority of families (55 percent) expected the unemployment rate to remain unchanged during the year ahead.

* * *

The March 1990 survey included 503 completed interviews conducted between March 1 and March 26, 1990.

01475-2

SURVEYS OF CONSUMERS



Institute for Social Research

SURVEYS OF CONSUMERS

MARCH 1990

The March 1990 survey was the 260th in a series of Surveys of Consumers conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results for the total sample will differ by no more than 5 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

While every effort is made to accurately measure consumer attitudes and expectations, factors other than sampling may also affect the accuracy of these (and other) findings. These factors may include effects of the question wording, the ability of respondents to articulate answers and opinions, refusal to participate in the survey, and incomplete coverage of the population. There are no standard measures of these effects, but their presence should be acknowledged when using these and all other survey data. While measurement effects are present in all surveys, a noted advantage of time-series data is that the non-sampling influences remain relatively constant across samples.

TABLE OF CONTENTS

TABLE**TITLE**

1. The Index of Consumer Sentiment
 2. Index of Consumer Sentiment within Region and Age Subgroups
 3. Components of the Index of Consumer Sentiment
 4. Current Financial Situation Compared to a Year Ago
 5. Selected Reasons for Opinions About Personal Financial Situation
 6. Expected Change in Financial Situation
 7. Trend in Personal Financial Situation
 8. Expected Family Income Change During the Next 12 Months
 9. Expected Change in Real Family Income
 10. News Heard of Recent Changes in Business Conditions
 11. Selected Items of News Heard of Recent Changes in Business Conditions
 12. Current Business Conditions Compared to a Year Ago
 13. Expected Change in Business Conditions in a Year
 14. Trend in Past and Expected Changes in Business Conditions
 15. Business Conditions Expected During the Next 12 Months
 16. Business Conditions Expected During the Next 5 Years
 17. Expected Change in Unemployment
 18. Expected Change in Interest Rates
 19. Expected Change in Prices During the Next 12 Months
 20. Opinions About the Government's Economic Policy
 21. Buying Conditions for Large Household Goods
 22. Selected Reasons About Buying Conditions for Large Household Goods
 23. Buying Conditions for Houses
 24. Selected Reasons for Opinions About Buying Conditions for Houses
 25. Buying Conditions for Cars
 26. Selected Reasons for Opinions About Buying Conditions for Cars
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CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

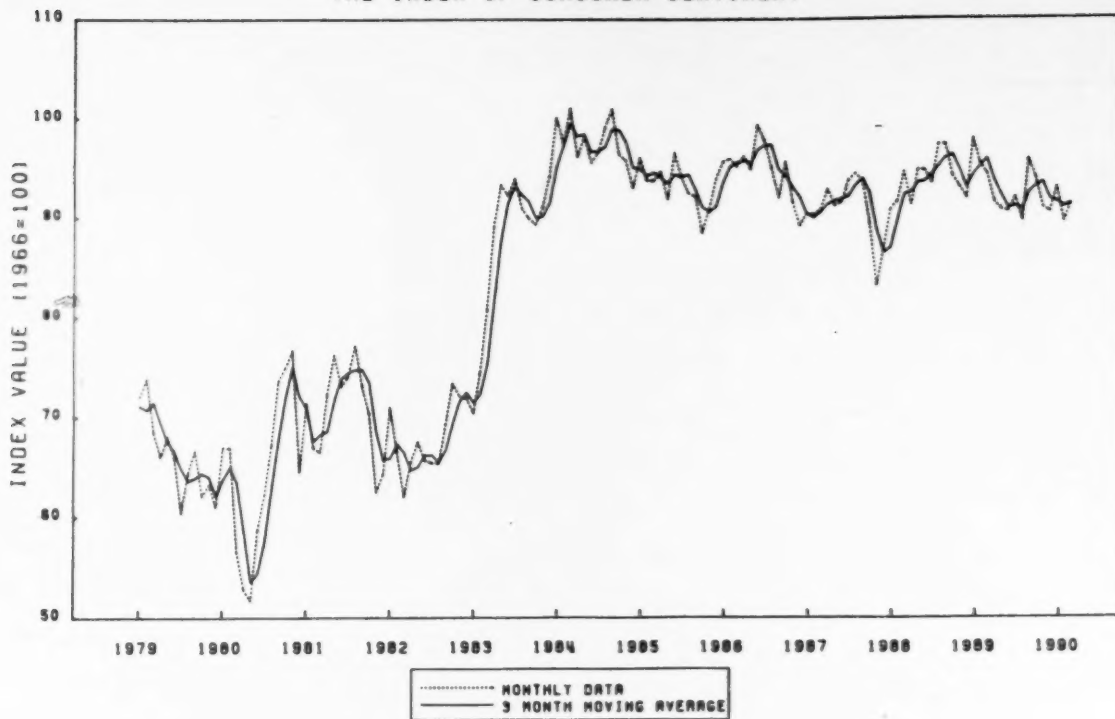


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

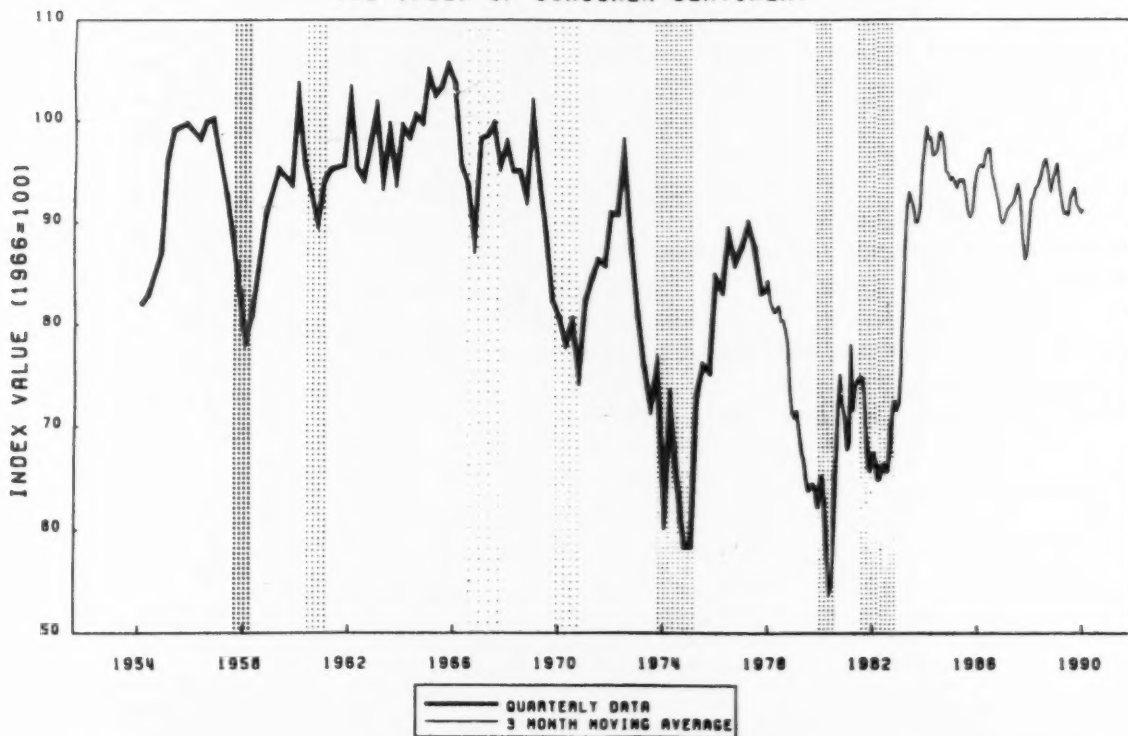


TABLE 1
THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY		All families	Families with incomes over \$30,000	Families with incomes over \$40,000
March	1987	90.8	97.8	96.1
April	1987	92.8	98.5	103.1
May	1987	91.1	97.7	99.2
June	1987	91.5	102.9	102.9
July	1987	93.7	102.5	104.0
August	1987	94.4	104.4	109.1
September	1987	93.6	100.6	104.3
October	1987	89.3	99.9	101.8
November	1987	83.1	87.7	90.5
December	1987	86.8	94.5	96.1
January	1988	90.8	99.0	99.9
February	1988	91.6	98.1	100.8
March	1988	94.6	103.7	104.6
April	1988	91.2	99.1	99.6
May	1988	94.8	106.6	108.3
June	1988	94.7	102.3	102.7
July	1988	93.4	100.5	103.9
August	1988	97.4	105.1	104.2
September	1988	97.3	102.8	105.4
October	1988	94.1	103.0	103.7
November	1988	93.0	102.0	101.0
December	1988	91.9	97.0	99.5
January	1989	97.9	108.4	106.8
February	1989	95.4	104.6	109.6
March	1989	94.3	98.6	100.0
April	1989	91.5	99.1	99.8
May	1989	90.7	100.6	100.3
June	1989	90.6	95.2	95.4
July	1989	92.0	103.2	101.9
August	1989	89.6	93.5	93.1
September	1989	95.8	104.1	103.0
October	1989	93.9	100.2	103.6
November	1989	90.9	99.4	100.5
December	1989	90.5	100.0	104.1
January	1990	93.0	99.9	103.2
February	1990	89.5	93.9	91.8
March	1990	91.3	98.4	98.8

CHART 2A - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

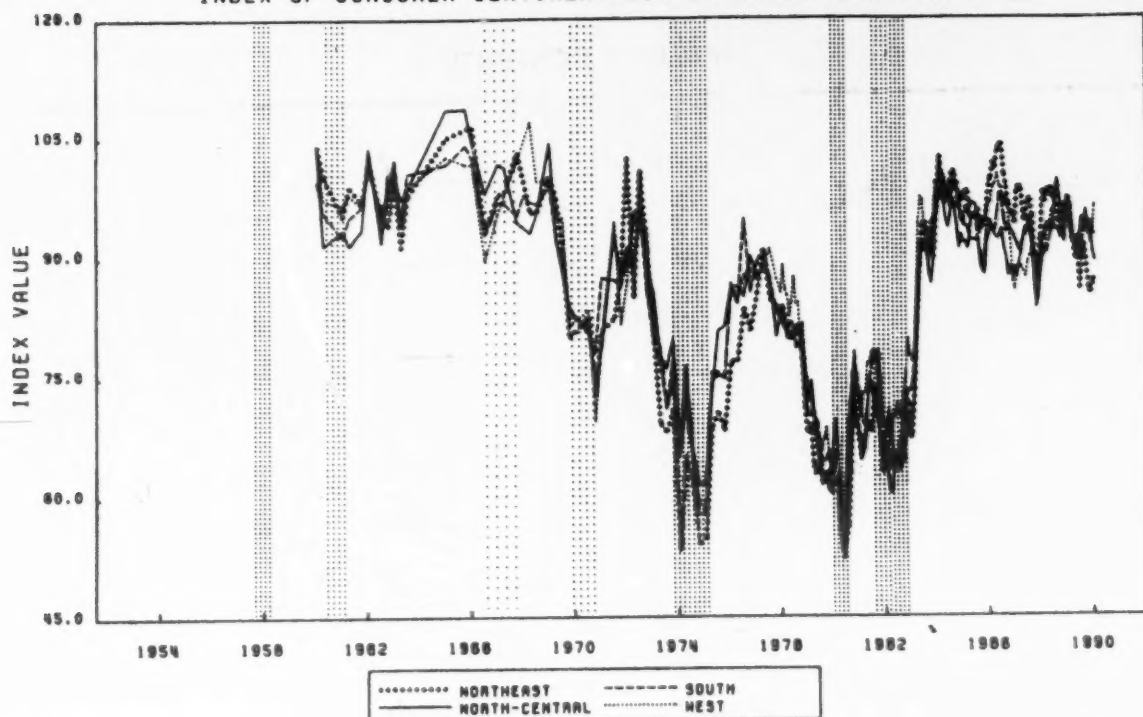


CHART 2B - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

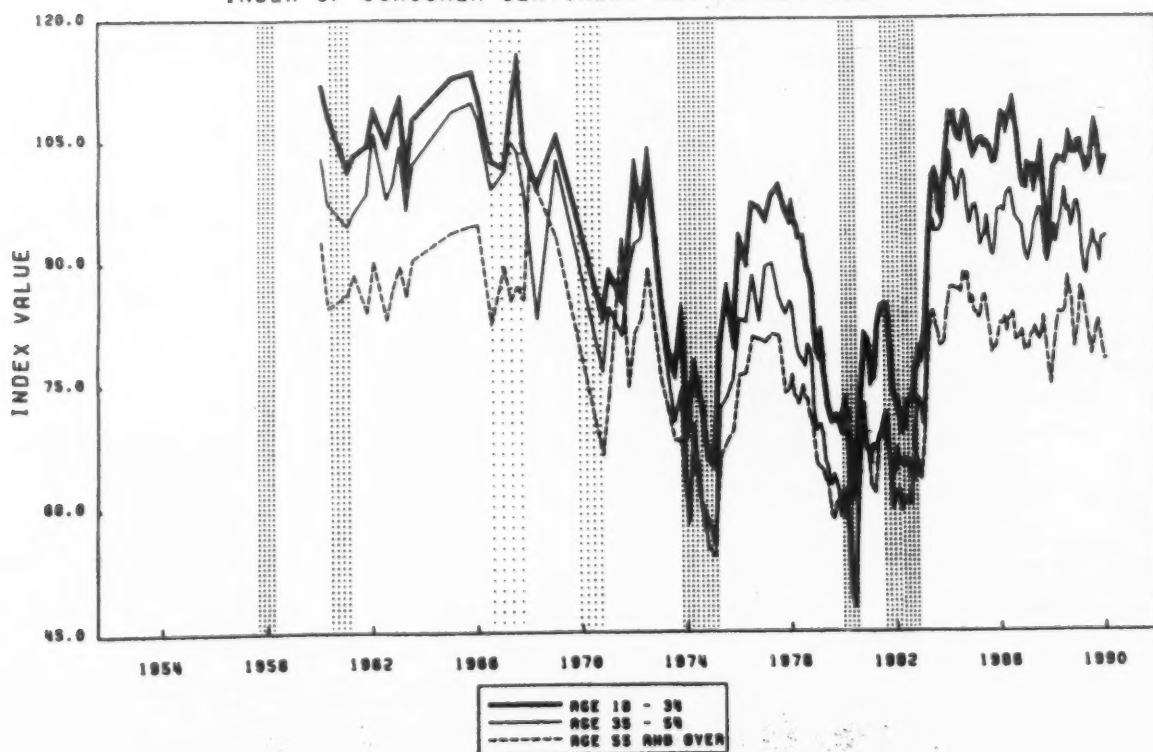


TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY		CENSUS REGION				AGE OF RESPONDENT		
		North East	North Central	South	West	18-34	35-54	55+
March	1987	104.6	86.3	87.5	91.2	106.4	89.3	77.7
April	1987	99.4	91.7	93.7	87.2	99.0	95.1	83.5
May	1987	91.3	92.9	92.1	87.1	99.5	92.8	82.1
June	1987	92.5	92.2	91.5	89.7	99.0	91.5	80.0
July	1987	100.1	95.7	93.8	85.2	103.0	97.8	80.2
August	1987	99.0	91.0	95.2	93.2	103.3	95.8	80.8
September	1987	92.2	94.7	94.9	91.5	104.1	95.4	82.6
October	1987	93.8	87.2	88.3	89.1	92.0	89.9	86.2
November	1987	83.9	79.6	87.9	79.4	91.7	86.6	70.8
December	1987	83.4	83.6	90.4	89.2	94.1	92.9	73.6
January	1988	99.8	91.3	87.6	88.5	98.3	93.6	80.1
February	1988	93.7	92.1	92.8	86.3	102.5	90.3	79.9
March	1988	101.2	92.9	91.6	95.3	103.5	98.9	80.0
April	1988	94.9	93.9	88.6	89.0	100.0	87.5	86.6
May	1988	99.1	95.5	91.1	97.3	104.2	95.4	84.7
June	1988	98.1	91.2	95.9	95.2	103.1	102.0	79.5
July	1988	98.3	92.0	91.8	94.0	99.6	93.0	86.6
August	1988	95.7	100.9	94.4	98.5	103.6	101.7	86.3
September	1988	95.2	101.9	93.3	97.6	106.1	93.3	91.4
October	1988	91.8	96.1	92.9	96.6	105.8	94.6	82.0
November	1988	95.8	90.6	90.5	98.9	100.4	94.3	82.2
December	1988	90.8	90.2	96.1	88.0	103.7	97.1	73.9
January	1989	96.9	94.2	99.9	102.2	105.8	100.3	86.7
February	1989	103.5	99.2	88.8	93.6	104.3	94.2	86.7
March	1989	91.5	95.8	96.1	92.2	103.9	91.8	87.0
April	1989	83.9	94.6	93.4	90.3	101.0	87.5	83.8
May	1989	99.9	86.7	87.3	94.3	102.2	86.9	81.9
June	1989	84.7	91.2	94.4	89.8	100.0	90.4	81.1
July	1989	87.2	91.9	95.6	91.8	101.9	95.8	78.0
August	1989	85.2	93.6	85.0	95.7	105.7	88.9	76.1
September	1989	97.1	98.8	94.0	92.7	107.1	96.2	84.9
October	1989	92.1	89.6	99.5	92.6	107.3	90.5	83.9
November	1989	77.5	98.7	87.2	99.4	102.2	88.6	79.3
December	1989	87.1	89.2	93.5	90.7	99.3	90.3	80.4
January	1990	91.0	94.2	93.8	92.2	101.4	99.5	78.3
February	1990	82.0	88.2	91.5	95.1	104.9	88.2	74.7
March	1990	89.5	85.5	92.5	101.5	101.7	91.4	81.1

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

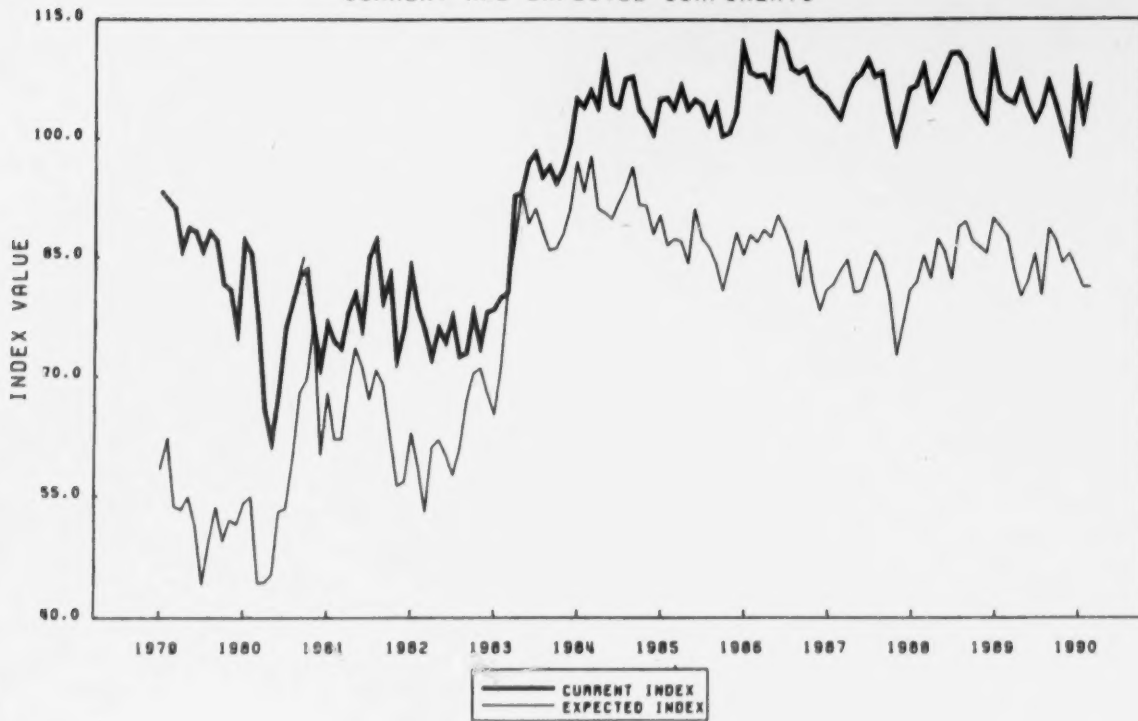


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

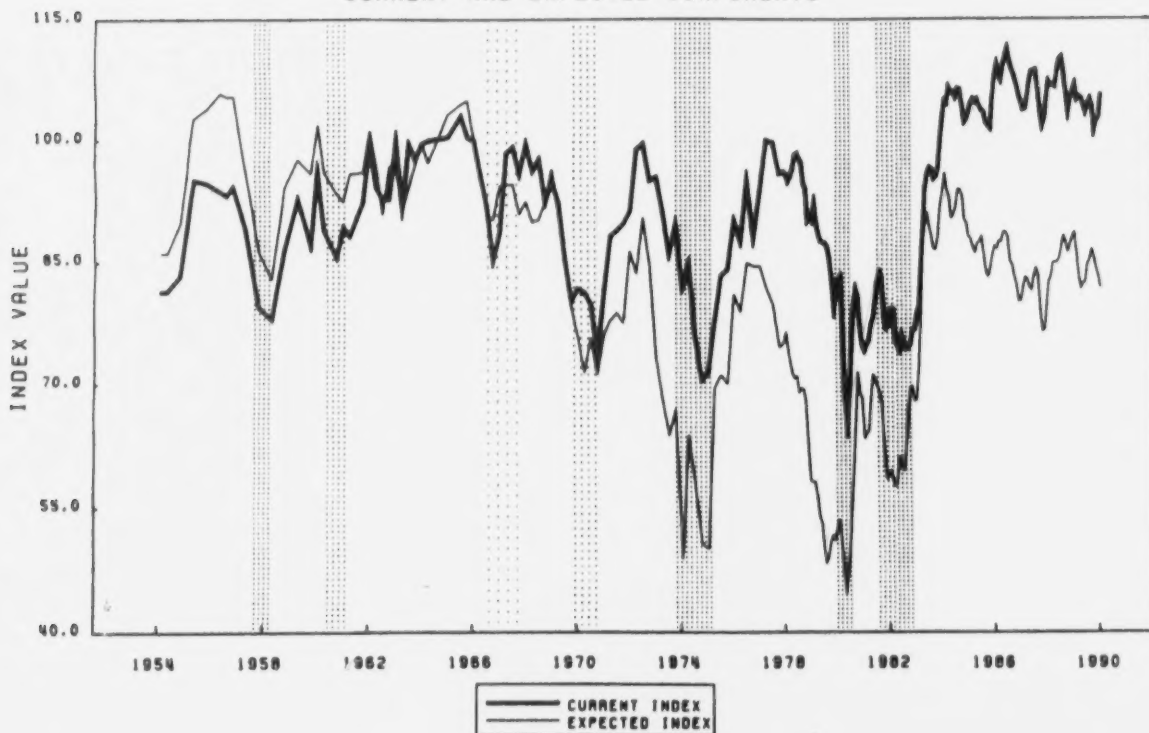


TABLE 3
COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

		INDEX COMPONENTS +					Current Index	Expected Index
		Personal finances		Business conditions		Buying conds.		
		Current	Expected	12 months	5 years			
DATE OF SURVEY		(1)	(2)	(3)	(4)	(5)	(1,5)	(2,3,4)
March	1987	114	122	121	92	152	102.5	83.3
April	1987	116	127	116	97	158	105.5	84.7
May	1987	117	121	114	89	161	107.4	80.6
June	1987	120	122	113	89	161	108.1	80.8
July	1987	123	123	118	94	162	109.9	83.3
August	1987	122	127	125	93	157	107.8	85.8
September	1987	119	124	122	92	162	108.3	84.2
October	1987	118	128	105	90	149	103.1	80.4
November	1987	115	118	93	80	142	99.3	72.7
December	1987	119	120	98	89	147	102.7	76.7
January	1988	122	131	110	84	154	106.2	80.9
February	1988	122	130	108	90	155	106.6	81.9
March	1988	127	133	114	96	156	109.1	85.2
April	1988	117	125	117	89	154	104.8	82.4
May	1988	111	127	125	98	165	106.5	87.3
June	1988	119	129	121	95	163	108.6	85.7
July	1988	120	128	106	96	167	110.7	82.3
August	1988	127	127	125	105	160	110.8	88.8
September	1988	127	133	125	102	157	109.4	89.5
October	1988	114	124	129	97	158	105.0	87.0
November	1988	112	128	122	97	156	103.3	86.3
December	1988	114	127	119	98	150	102.0	85.5
January	1989	121	131	128	103	165	110.3	89.9
February	1989	120	130	128	99	154	105.7	88.8
March	1989	116	131	123	98	156	104.8	87.6
April	1989	113	130	113	91	158	104.4	83.2
May	1989	121	125	107	89	157	107.1	80.1
June	1989	115	123	115	90	155	104.1	82.0
July	1989	112	123	124	96	152	102.1	85.5
August	1989	114	126	109	88	156	103.9	80.3
September	1989	117	129	127	101	161	107.1	88.6
October	1989	114	134	124	93	156	104.4	87.2
November	1989	116	130	116	92	146	101.2	84.3
December	1989	115	129	115	99	140	98.2	85.5
January	1990	116	124	119	92	164	108.0	83.4
February	1990	108	126	111	90	157	102.3	81.3
March	1990	117	125	108	93	160	106.9	81.3

(1) See Table 4.

(2) See Table 6.

(3) See Table 15.

(4) See Table 16.

(5) See Table 21.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

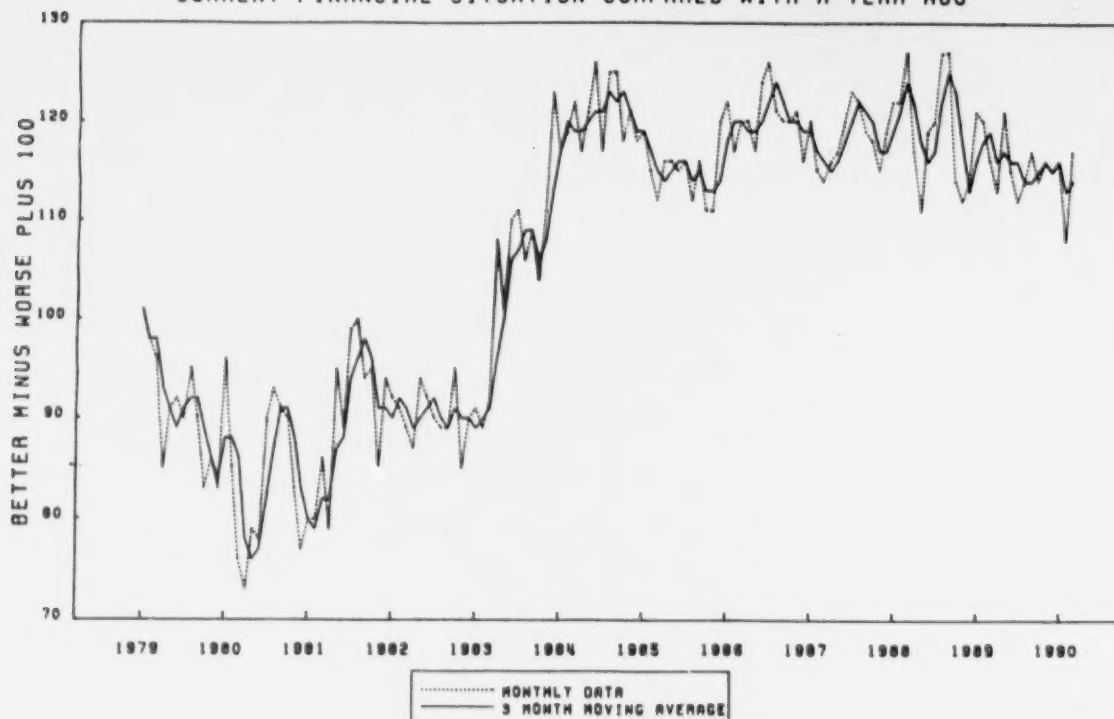


CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

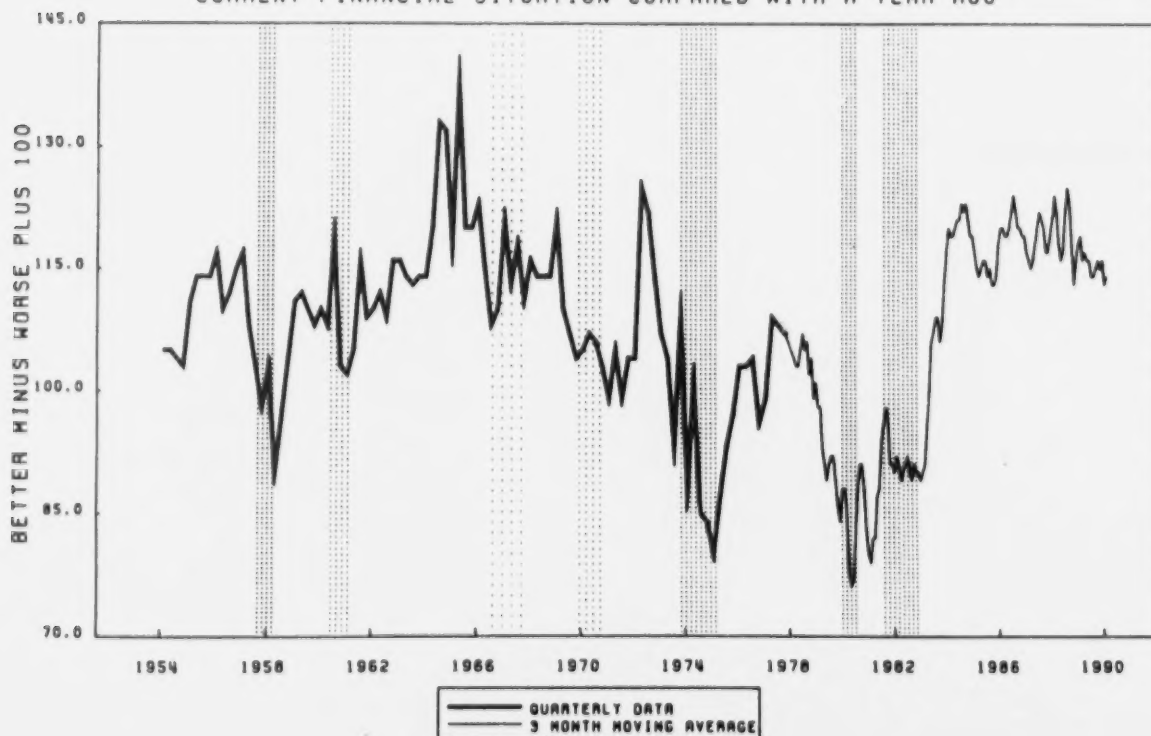


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990
BETTER OFF	42%	42%	45%	38%	41%	41%	42%	42%	42%	41%	43%	38%	43%
SAME	32	29	31	38	30	32	32	30	32	32	30	32	30
WORSE OFF	26	29	24	23	29	27	25	28	26	26	27	30	26
DK,NA	*	*	*	1	*	*	1	*	*	1	*	*	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	502	500	503	507	501	502	506	500	502	500	500	511	503

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

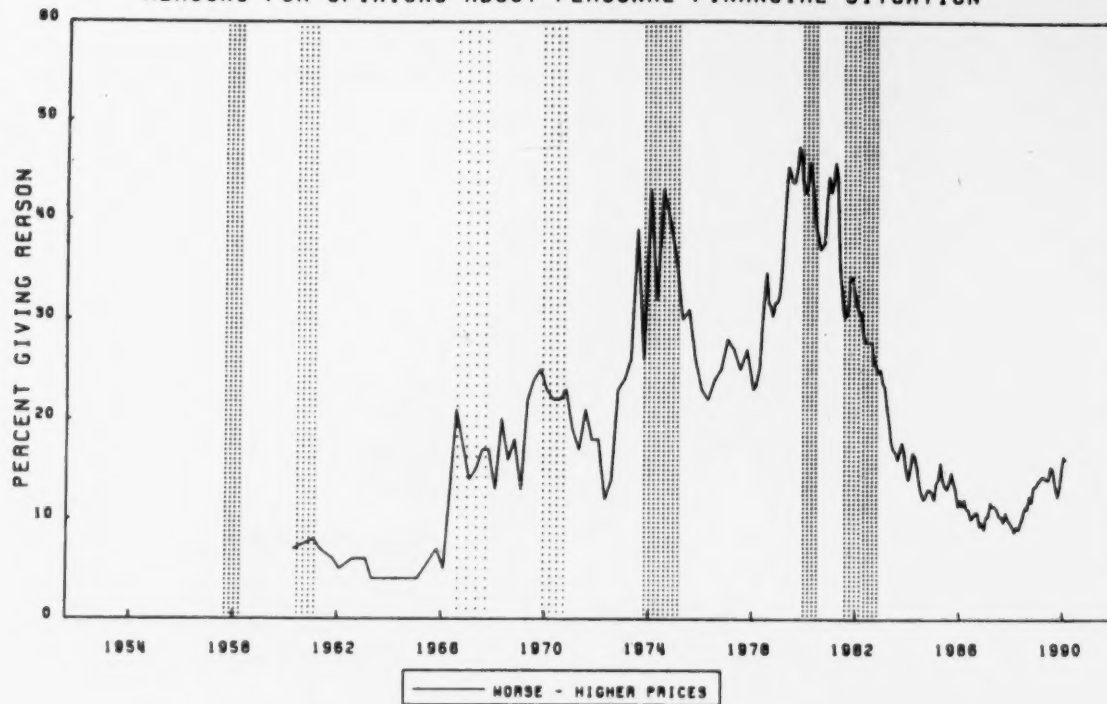


CHART 5B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

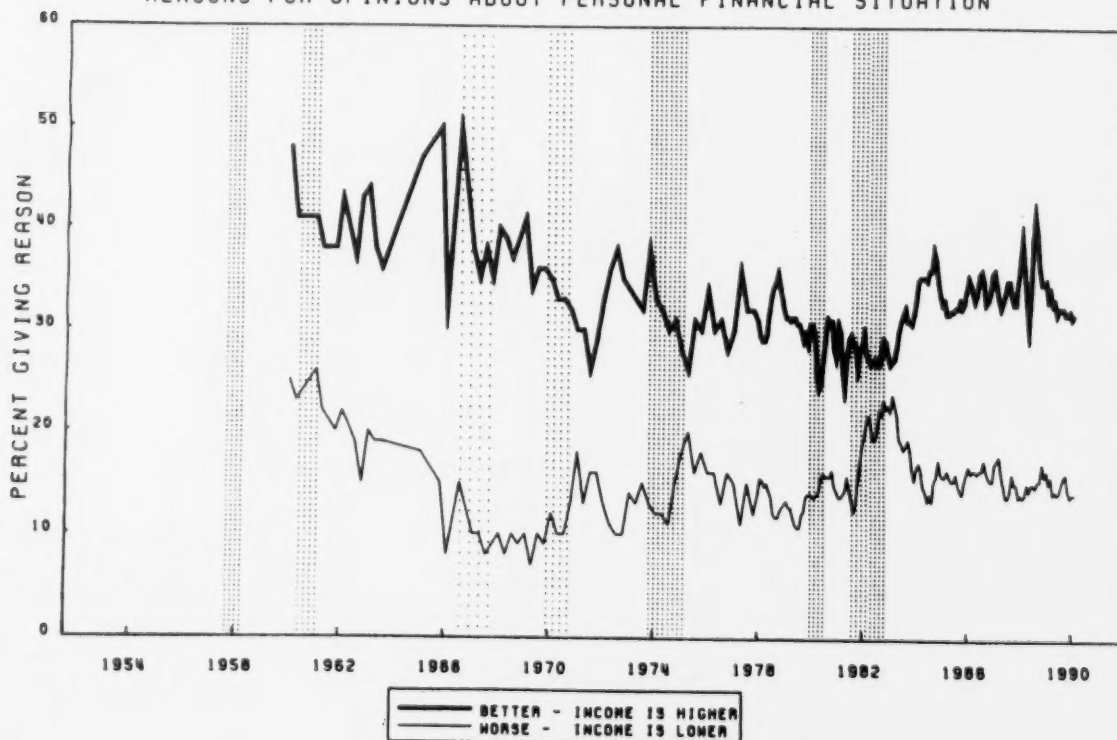


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

Mar.	Apr.	May	June	July	Aug.	Sept	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
1989	1989	1989	1989	1989	1989	1989	1989	1989	1989	1990	1990	1990

BETTER OFF THAN YEAR AGO:

Income is higher	30%	36%	32%	31%	32%	34%	31%	32%	32%	31%	33%	30%	32%
------------------	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

WORSE OFF THAN YEAR AGO:

Income is lower	13	16	13	14	15	14	16	17	15	11	15	16	11
Higher prices	15	16	12	14	16	16	13	11	13	16	16	17	15

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

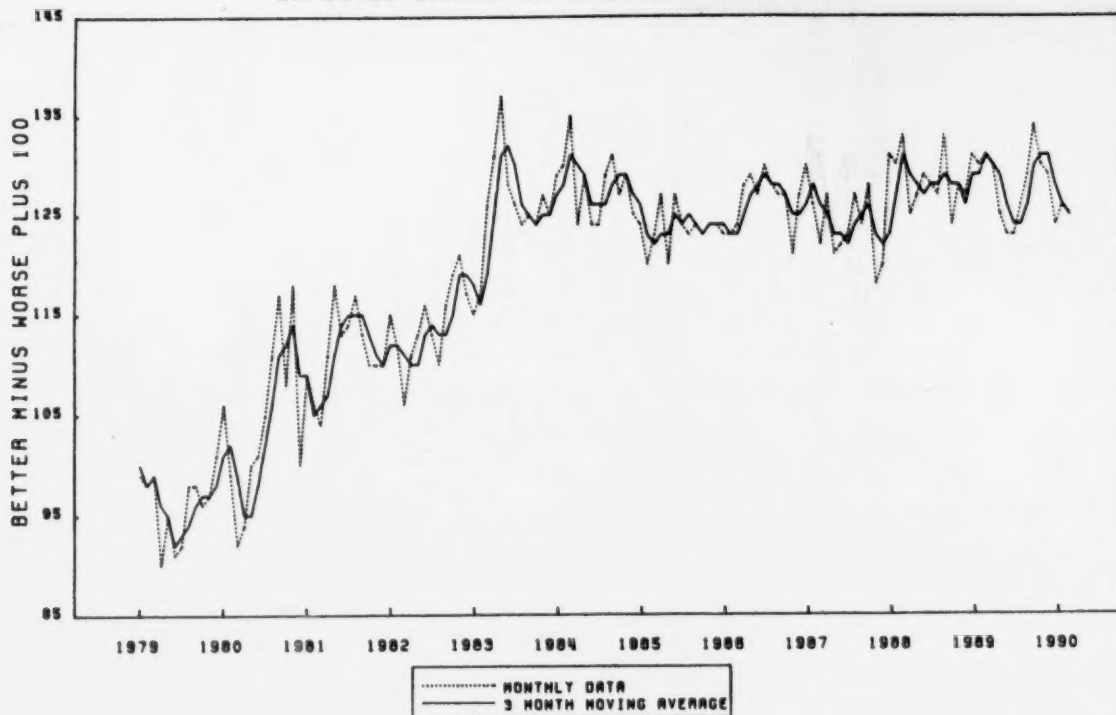


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

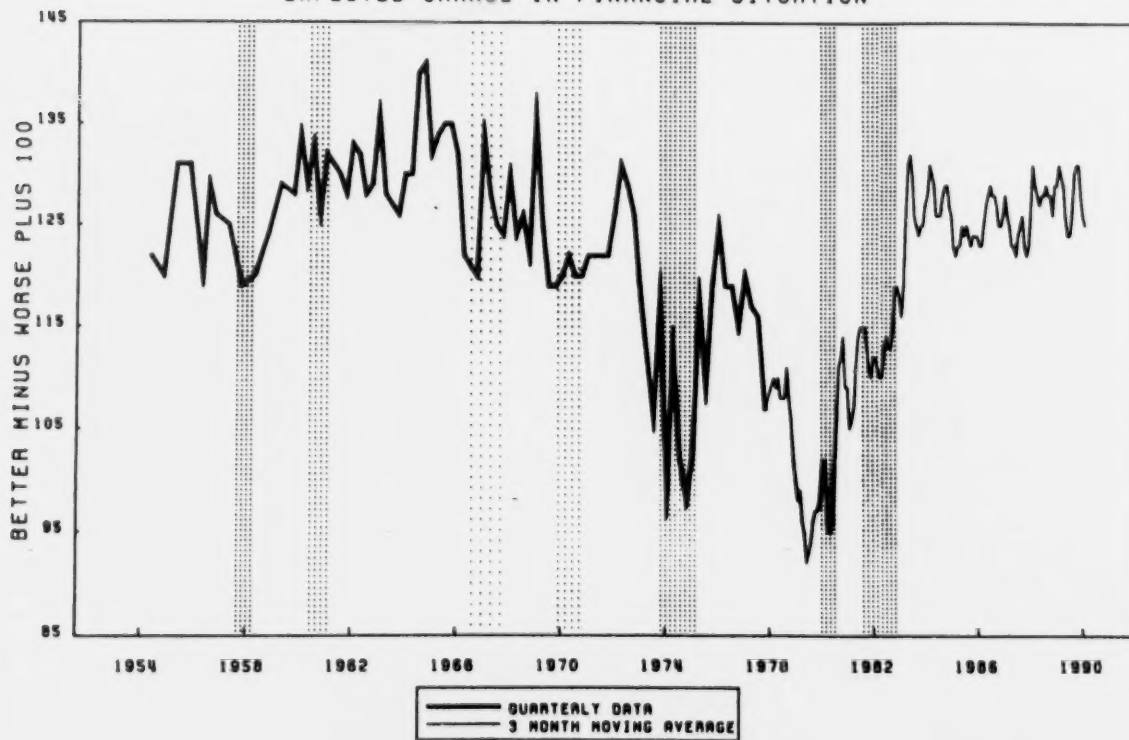


TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990
BETTER OFF	40%	41%	39%	34%	35%	37%	38%	41%	40%	37%	35%	35%	37%
SAME	49	46	45	52	50	49	49	47	48	50	51	53	49
WORSE OFF	9	11	14	11	12	11	9	7	10	8	11	9	12
DK,NA	2	2	2	3	3	3	4	5	2	5	3	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	502	500	503	507	501	502	506	500	502	500	500	511	503

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

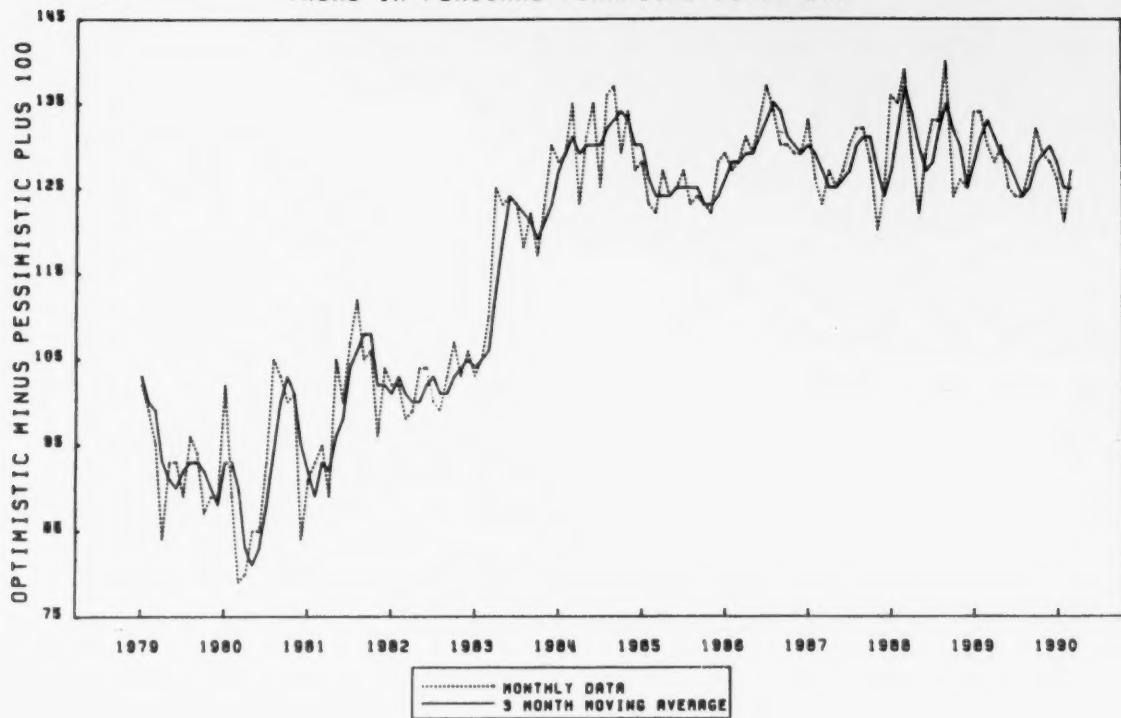


CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

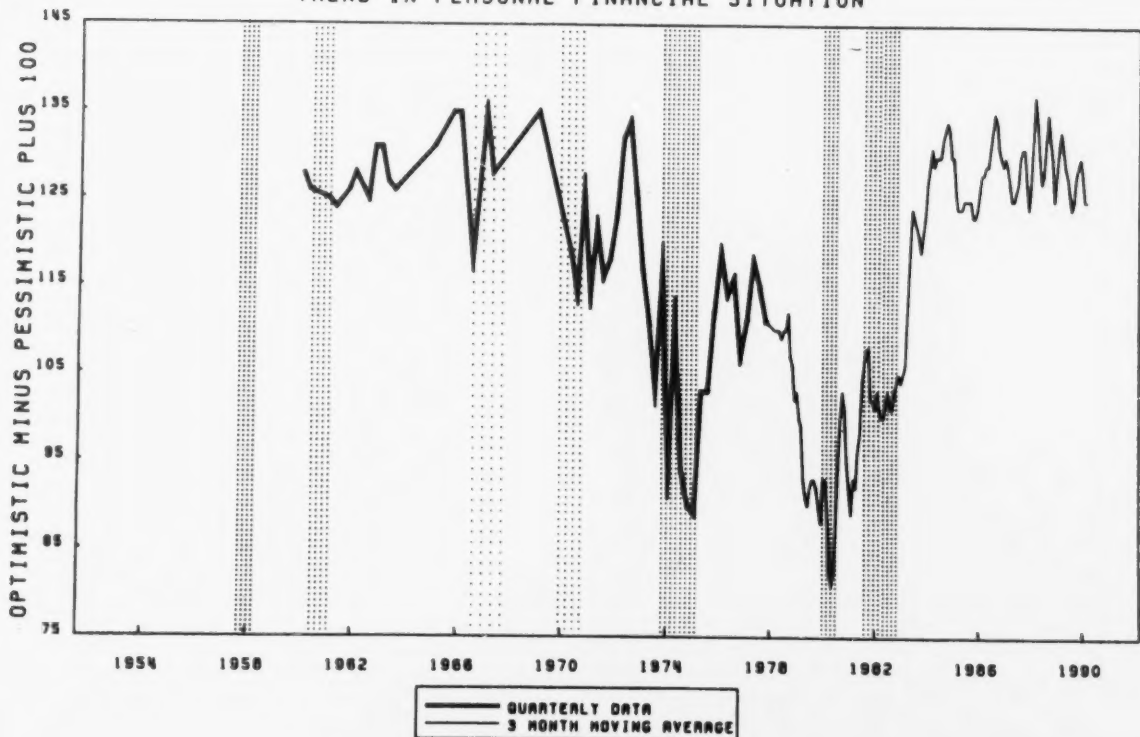


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	20%	21%	21%	16%	19%	20%	24%	22%	21%	19%	20%	17%	20%
Intermittant increase (b)	29	27	31	28	28	25	24	27	26	28	28	26	28
Remain unchanged (c)	18	17	14	22	18	20	19	17	20	18	17	21	17
Intermittant decline (d)	15	13	18	15	15	16	17	12	14	16	16	17	15
Continuous decline (e)	4	7	4	4	8	5	4	5	4	3	6	5	6
Mixed change (f)	12	13	9	11	9	10	8	11	13	11	9	10	10
DK,NA	2	2	3	4	3	4	4	6	2	5	4	4	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	502	500	503	507	501	502	506	500	502	500	500	511	503

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
 (b) Better/Same or Same/Better
 (c) Same/Same
 (d) Worse/Same or Same/Worse
 (e) Worse/Worse
 (f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
 MEDIAN EXPECTED CHANGE IN FAMILY INCOME

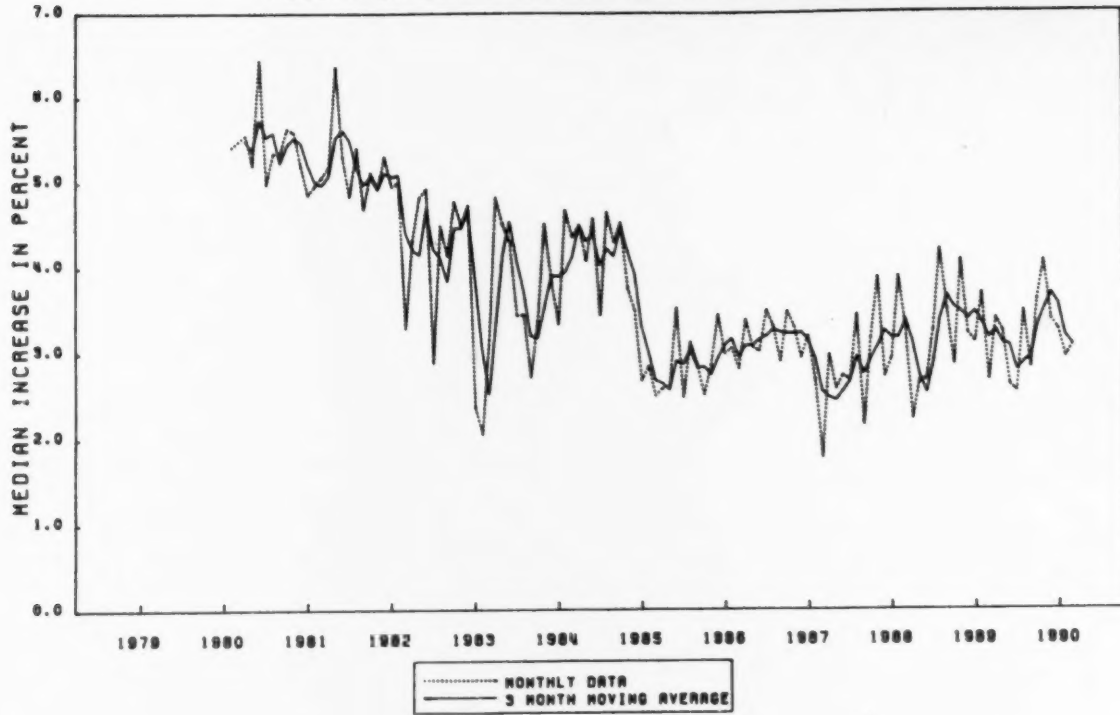


CHART 8 - HISTORICAL SERIES
 MEDIAN EXPECTED CHANGE IN FAMILY INCOME

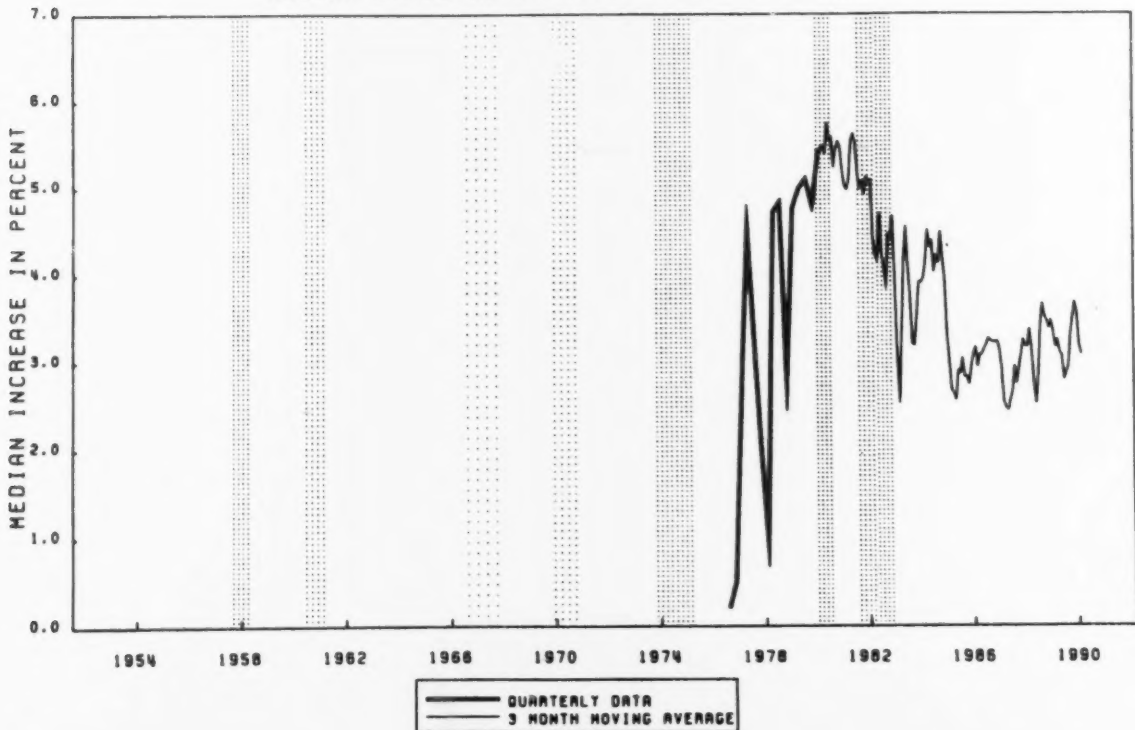


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990
EXPECT INCREASE:													
1-4%	16%	17%	16%	18%	15%	15%	16%	15%	23%	16%	18%	17%	15%
5%	10	12	9	11	9	13	10	12	13	12	13	12	9
6-9%	7	7	7	6	6	8	7	7	7	8	7	6	9
10-24%	14	15	17	14	16	17	15	14	16	13	14	15	16
25% or more	7	7	8	6	6	6	5	9	7	7	5	5	4
DK how much up	5	5	4	5	6	3	5	4	6	5	5	3	5
EXPECT SAME	27	23	26	27	31	26	25	25	19	26	25	30	28
EXPECT DOWN	14	12	12	12	10	12	15	12	9	12	11	11	13
DK, NA	*	2	1	1	1	*	2	2	*	1	2	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	502	500	503	507	501	502	506	500	502	500	500	511	503

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

* : Less than half of one percent.

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

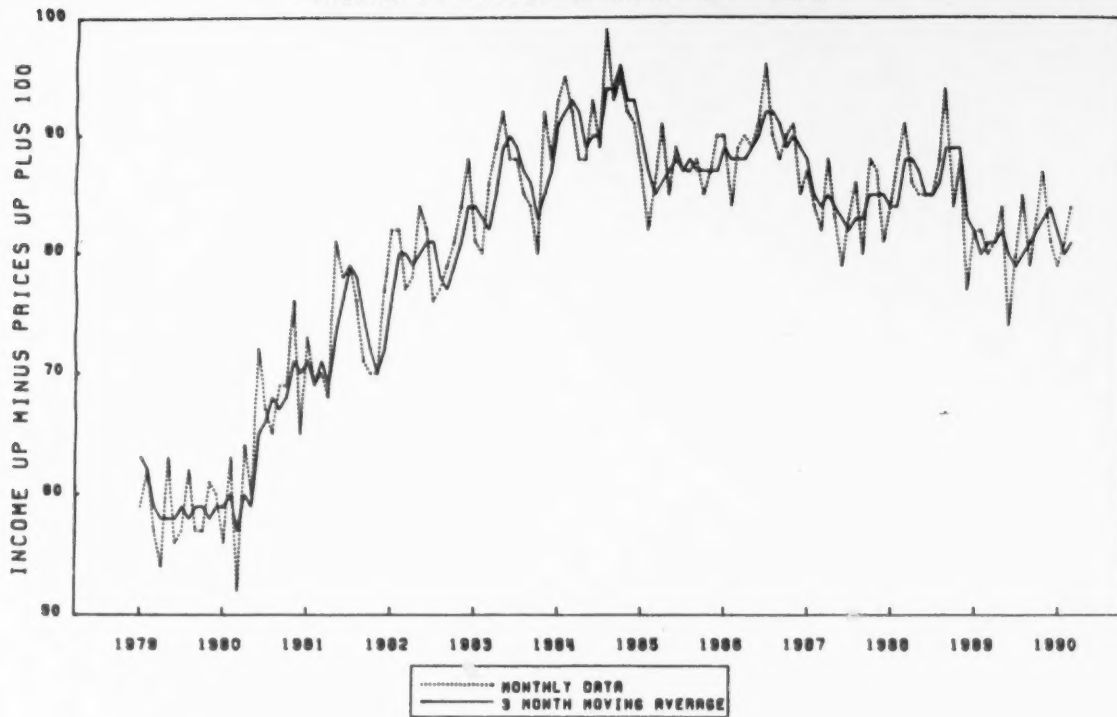


CHART 9 - HISTORICAL SERIES
INCOME OR PRICES UP MORE NEXT YEAR

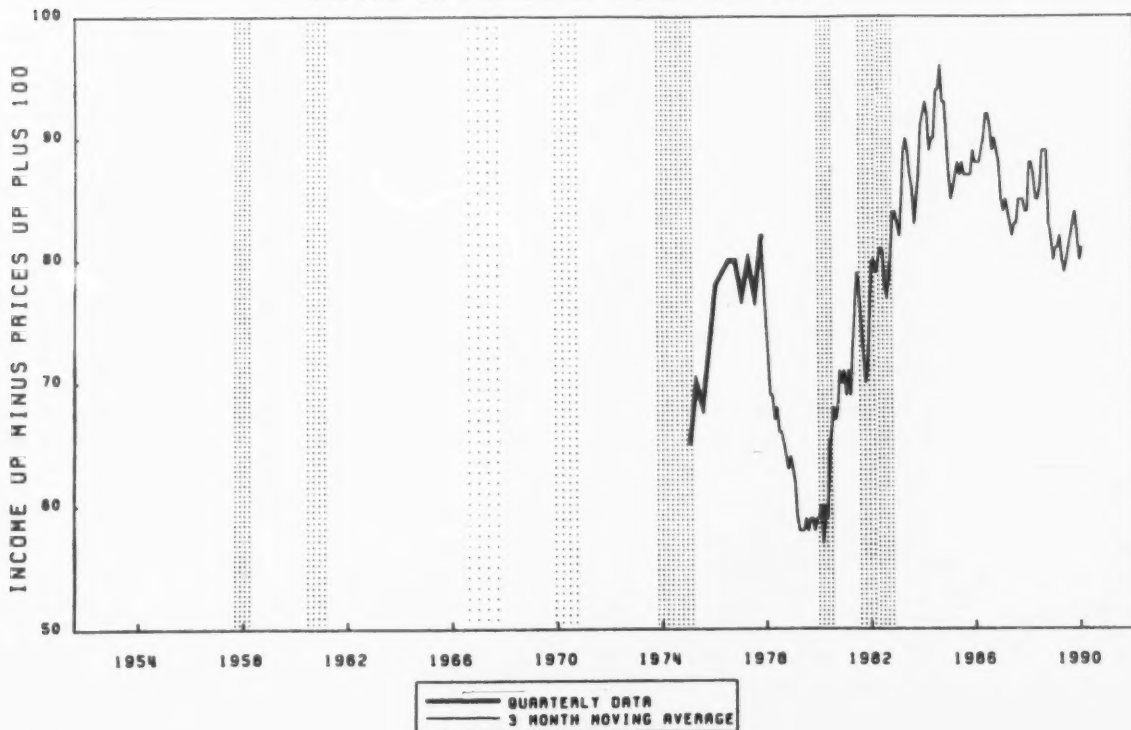


TABLE 9

EXPECTED CHANGE IN REAL FAMILY INCOME

	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990
INCOME UP MORE	17%	18%	22%	16%	19%	21%	19%	20%	22%	21%	17%	17%	20%
INCOME UP SAME	44	43	37	39	40	39	39	41	42	36	42	44	42
PRICES UP MORE	37	37	38	42	39	36	40	37	35	40	38	36	36
DK,NA	2	2	3	3	2	4	2	2	1	3	3	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	502	500	503	507	501	502	506	500	502	500	500	511	503

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 10 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

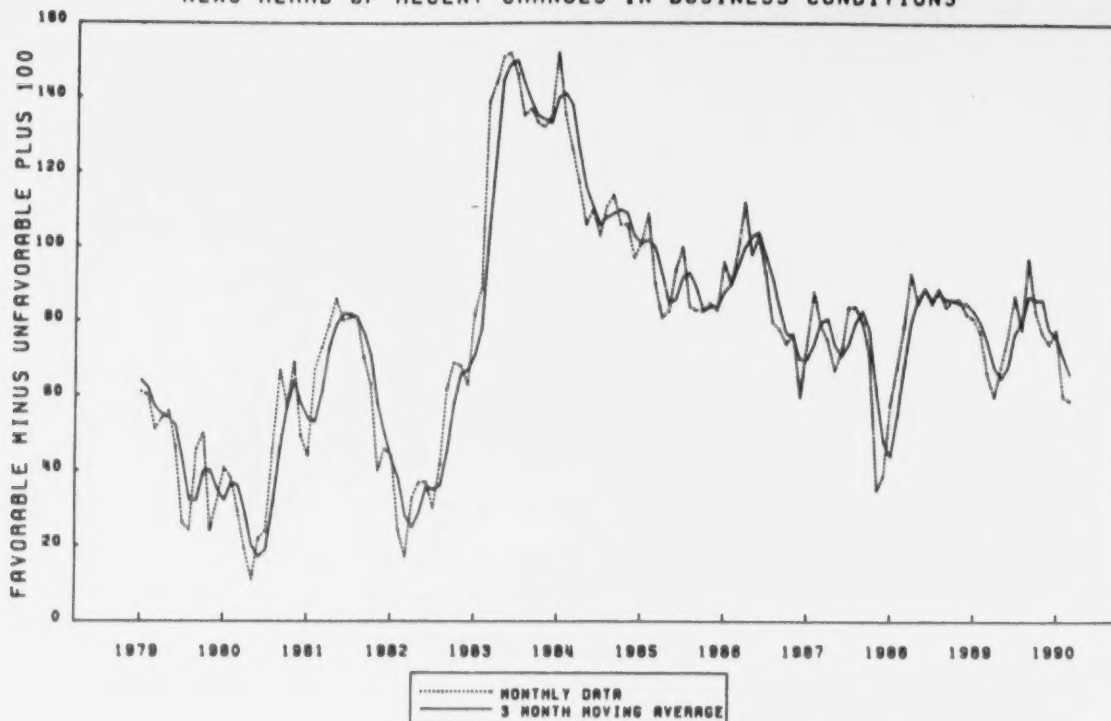


CHART 10 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

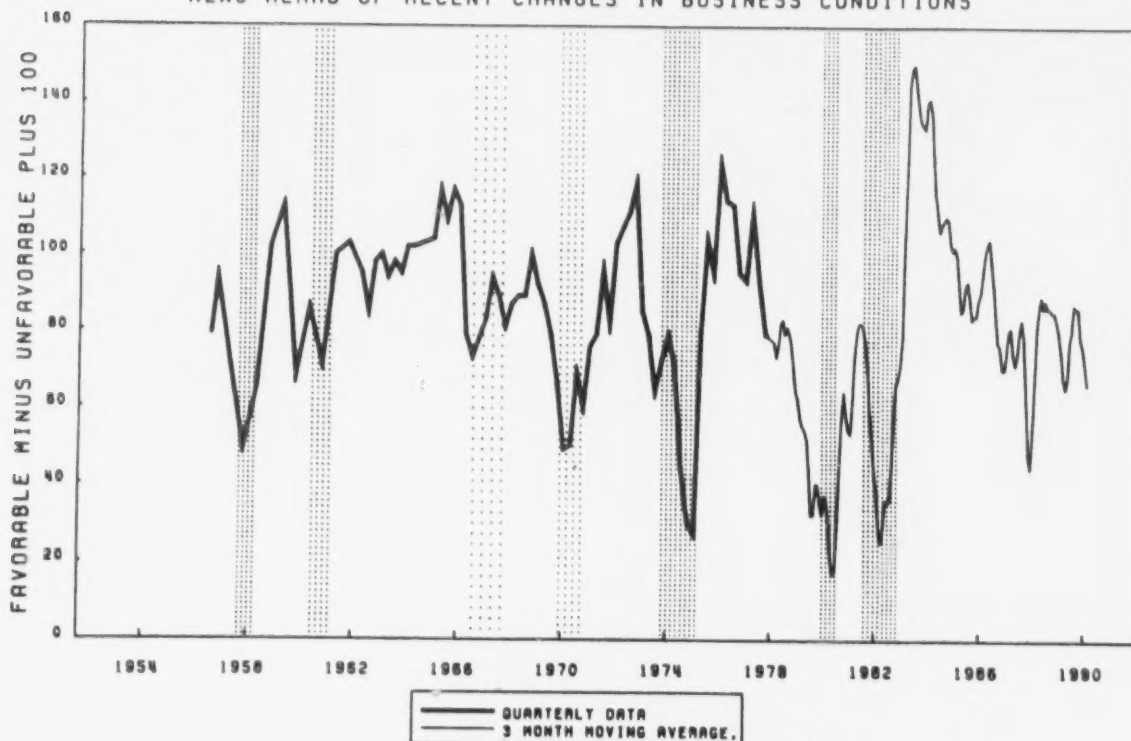


TABLE 10

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990
FAVORABLE NEWS	22%	18%	22%	23%	28%	23%	29%	24%	22%	24%	26%	20%	21%
UNFAVORABLE NEWS	56	58	54	47	41	45	32	41	45	50	48	60	62
NO MENTIONS	49	48	48	53	50	53	56	52	52	50	49	44	43

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 11A - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

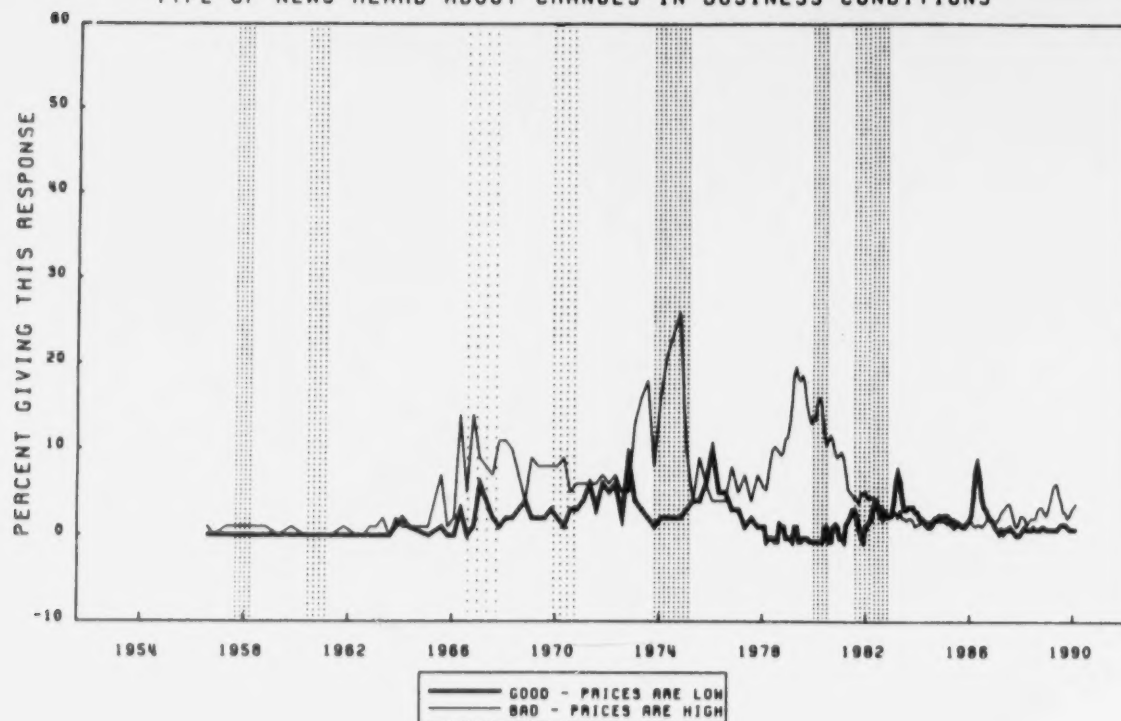


CHART 11B - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

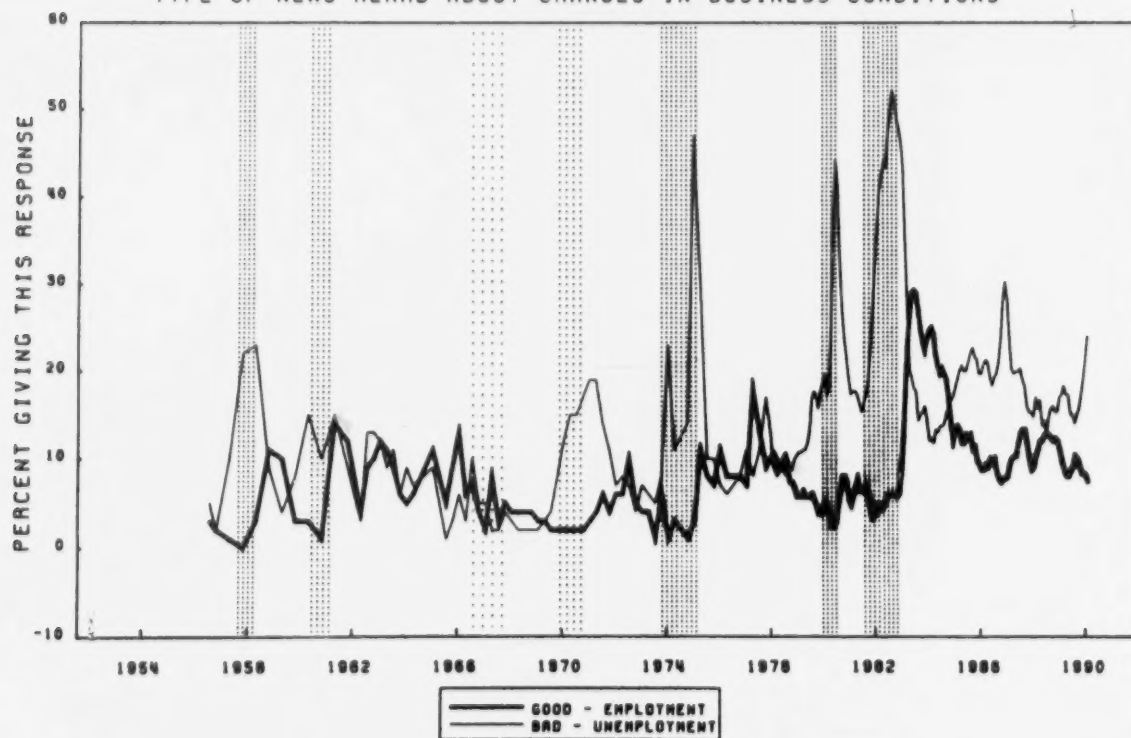


TABLE 11

SELECTED ITEMS OF
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990
FAVORABLE NEWS:													
Government; elections	3%	1%	1%	1%	*	2%	2%	1%	1%	3%	1%	2%	3%
Employment	8	8	8	8	10	9	12	9	7	9	9	6	7
Higher consumer demand	1	3	2	1	2	1	1	1	2	2	1	1	2
Lower prices	1	*	1	1	1	2	1	1	1	*	1	1	*
Easier credit	1	*	1	4	6	5	4	3	3	1	6	3	1
Stock market	1	1	2	2	2	1	3	2	2	2	2	1	1
Trade deficit	1	1	1	*	1	1	1	1	1	3	2	2	2
UNFAVORABLE NEWS:													
Government; elections	5	4	4	4	5	3	4	2	3	5	3	6	6
Unemployment	17	20	15	17	13	15	14	16	17	19	21	24	27
Lower consumer demand	3	2	4	3	3	3	2	2	5	6	5	6	6
Higher prices	6	6	6	6	2	4	2	2	2	3	4	3	4
Tighter credit	10	12	10	5	3	2	1	1	1	2	1	3	3
Stock market	2	2	2	1	1	1	1	7	6	2	2	6	4
Trade deficit	3	3	2	3	5	3	2	2	2	5	2	3	4

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 12 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

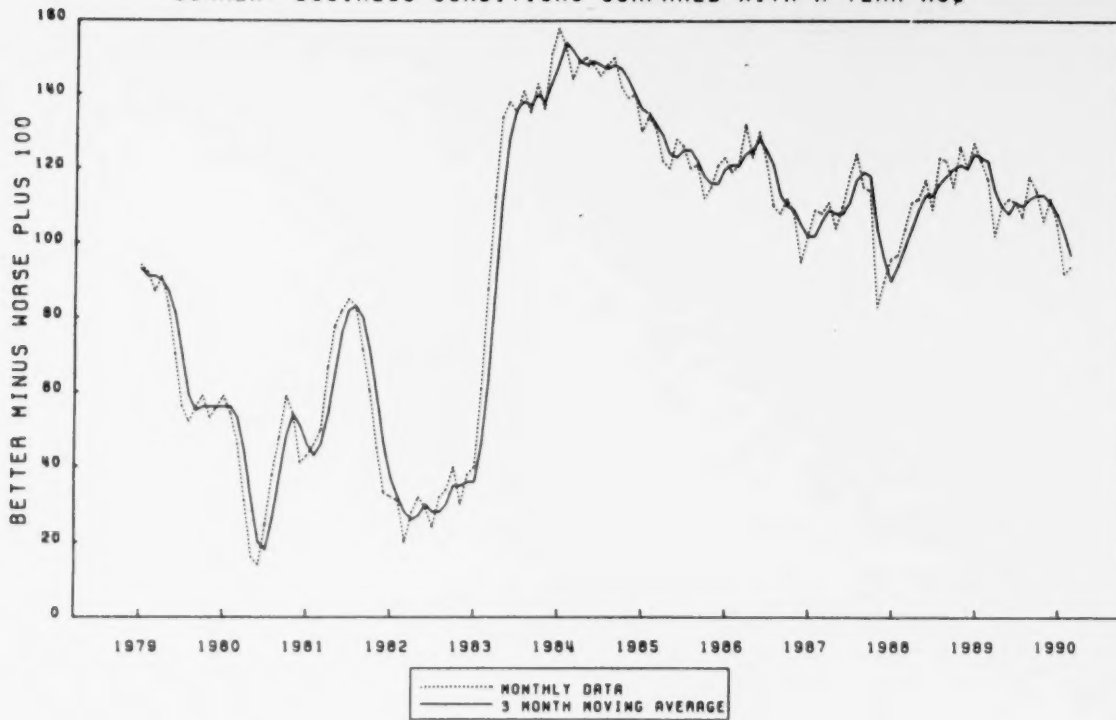


CHART 12 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

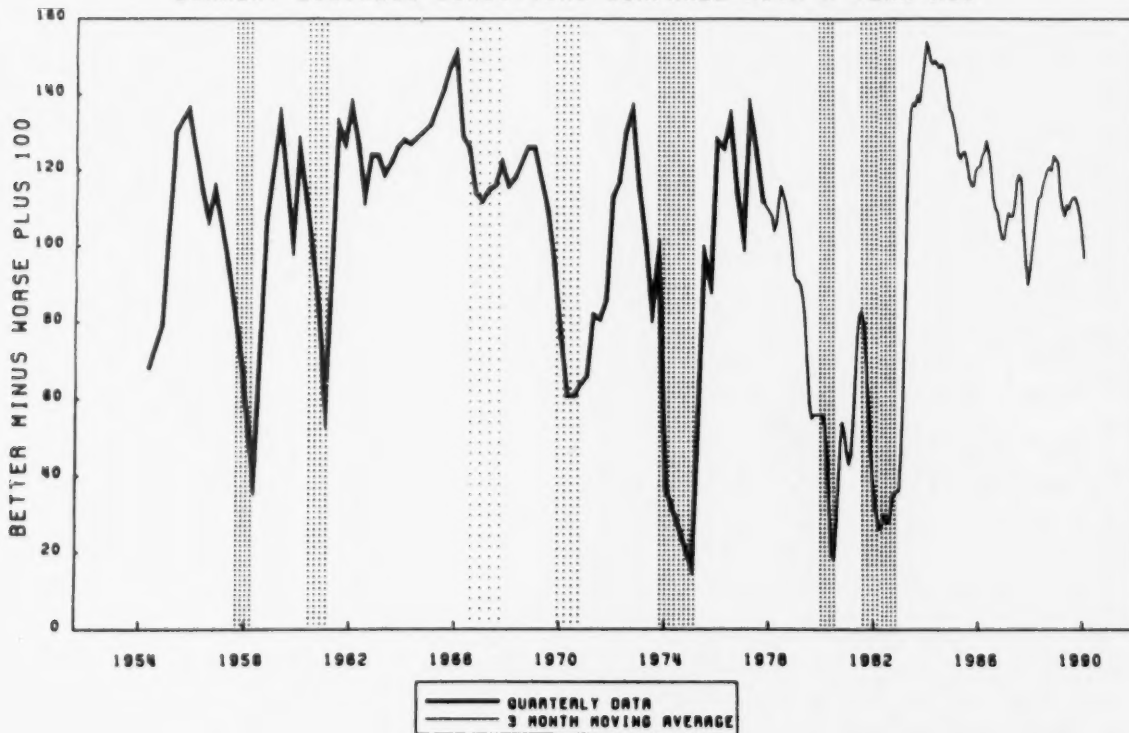


TABLE 12

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990
BETTER NOW	47%	41%	44%	45%	43%	42%	48%	47%	42%	45%	43%	36%	36%
SAME	22	18	19	18	22	21	19	19	19	19	16	17	20
WORSE NOW	30	39	34	33	32	35	30	33	36	33	38	44	42
DK,NA	1	2	3	4	3	2	3	1	3	3	3	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	502	500	503	507	501	502	506	500	502	500	500	511	503

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 13 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

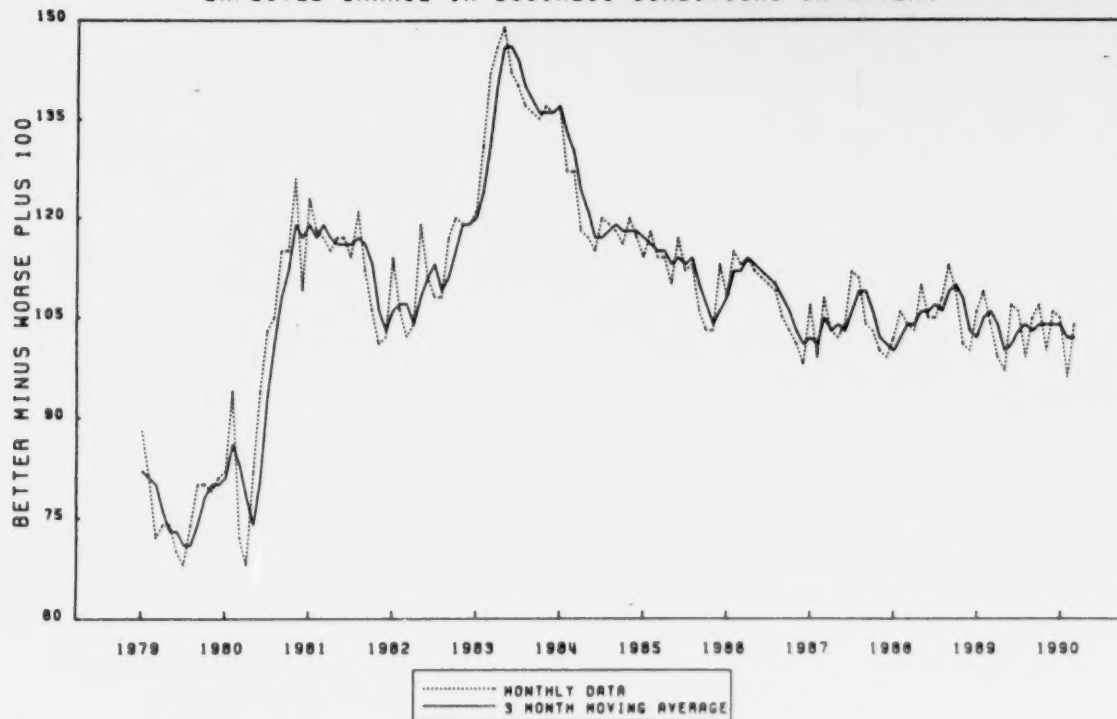


CHART 13 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

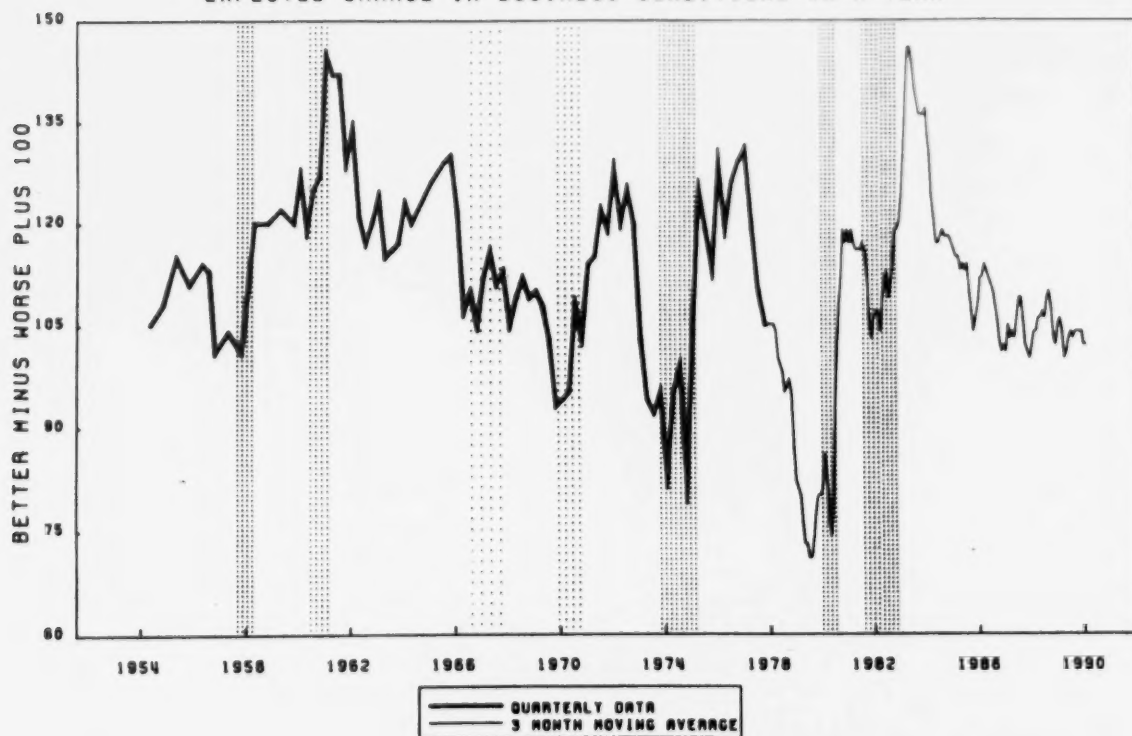


TABLE 13

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990
BETTER	22%	20%	19%	24%	20%	18%	21%	22%	18%	24%	22%	19%	22%
SAME	59	57	56	57	63	60	59	61	61	55	59	56	58
WORSE	18	21	22	17	14	19	16	15	18	18	17	23	18
DK,NA	1	2	3	2	3	3	4	2	3	3	2	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	502	500	503	507	501	502	506	500	502	500	500	511	503

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

CHART 14 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

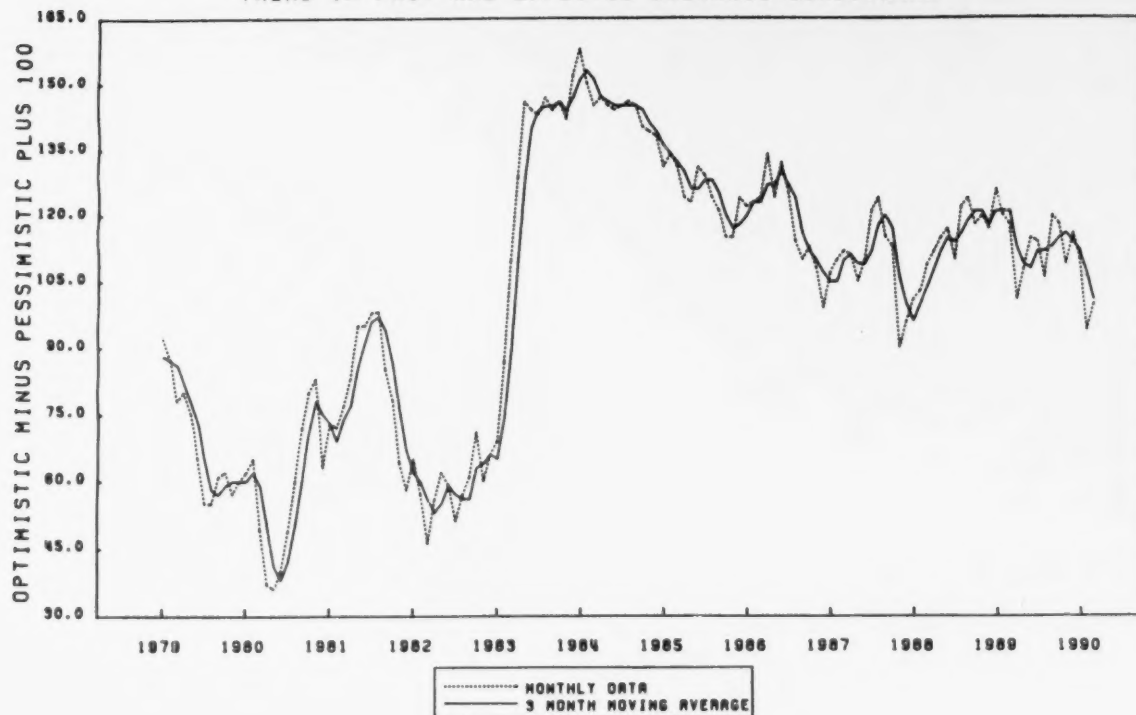


CHART 14 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

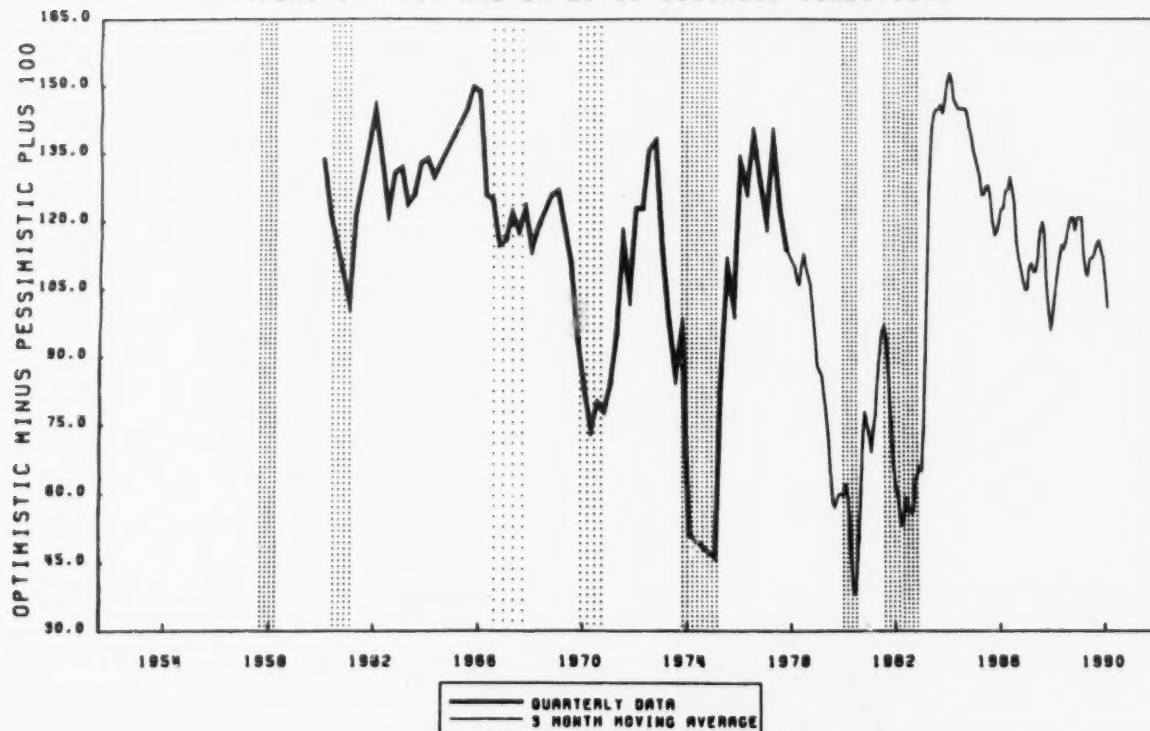


TABLE 14

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990
TREND:													
Continuous increase (a)	12%	14%	13%	15%	14%	11%	14%	15%	10%	15%	14%	11%	10%
Intermittant increase (b)	33	24	29	30	30	29	34	33	32	29	29	25	27
Remain unchanged (c)	16	13	12	12	16	14	12	13	13	13	12	10	12
Intermittant decline (d)	16	24	20	18	20	22	18	19	21	16	20	26	26
Continuous decline (e)	11	13	14	12	10	12	10	11	12	12	13	16	11
Mixed change (f)	9	8	7	6	4	7	6	5	6	10	8	8	10
DK,NA	3	4	5	7	6	5	6	4	6	5	4	4	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	502	500	503	507	501	502	506	500	502	500	500	511	503

Combination of the responses to the questions on Tables 12 and 13.

- Key: (a) Better than a year ago/Better a year from now
 (b) Better/Same or Same/Better
 (c) Same/Same
 (d) Worse/Same or Same/Worse
 (e) Worse/Worse
 (f) Worse/Better or Better/Worse

CHART 15 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS



CHART 15 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

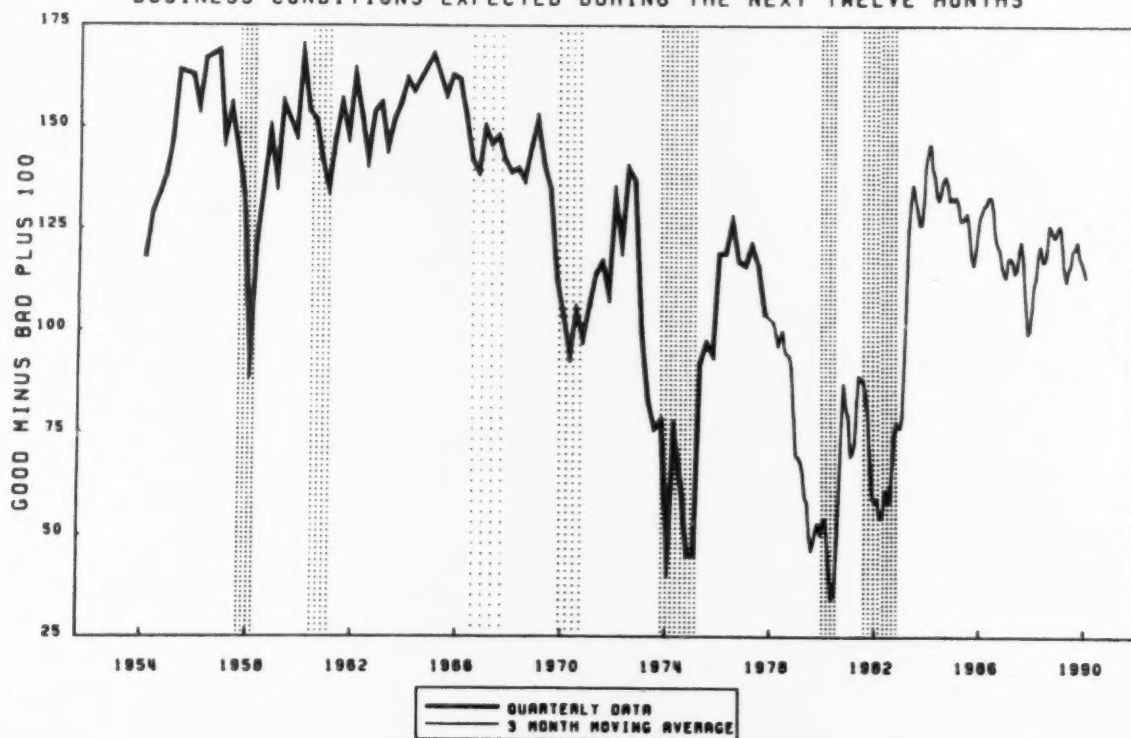


TABLE 15

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990
GOOD TIMES	55%	49%	46%	48%	53%	46%	55%	53%	50%	49%	52%	46%	48%
UNCERTAIN; GOOD & BAD	4	3	4	5	4	6	4	5	4	2	3	6	3
BAD TIMES	32	36	39	33	29	37	28	29	34	34	33	35	40
DON'T KNOW	5	6	6	9	7	4	6	8	7	7	6	7	5
NOT ASCERTAINED	4	6	5	5	7	7	7	5	5	8	6	6	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	502	500	503	507	501	502	506	500	502	500	500	511	503

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 16 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS



CHART 16 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

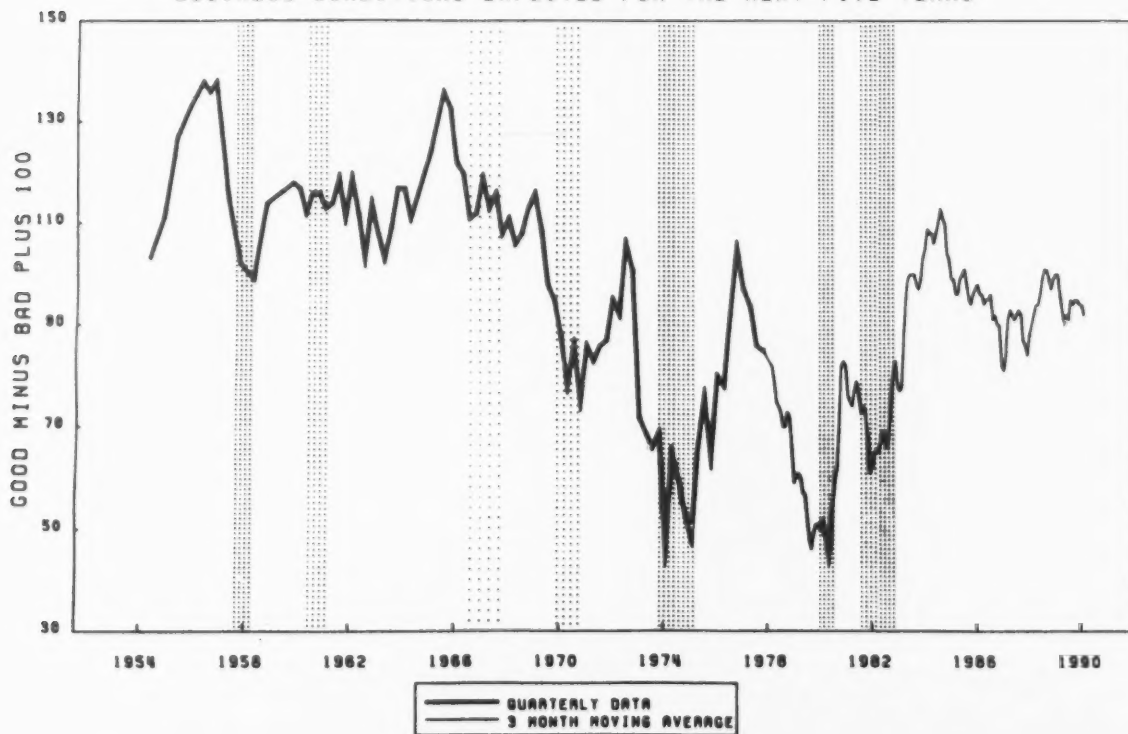


TABLE 16

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990
GOOD TIMES	40%	37%	36%	37%	39%	33%	41%	36%	38%	39%	37%	36%	40%
UNCERTAIN; GOOD & BAD	14	13	13	12	13	13	13	14	13	15	12	11	10
BAD TIMES	42	46	47	47	43	45	40	43	46	40	45	46	47
NOT ASCERTAINED	4	4	4	4	5	9	6	7	3	6	6	7	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	502	500	503	507	501	502	506	500	502	500	500	511	503

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 17 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

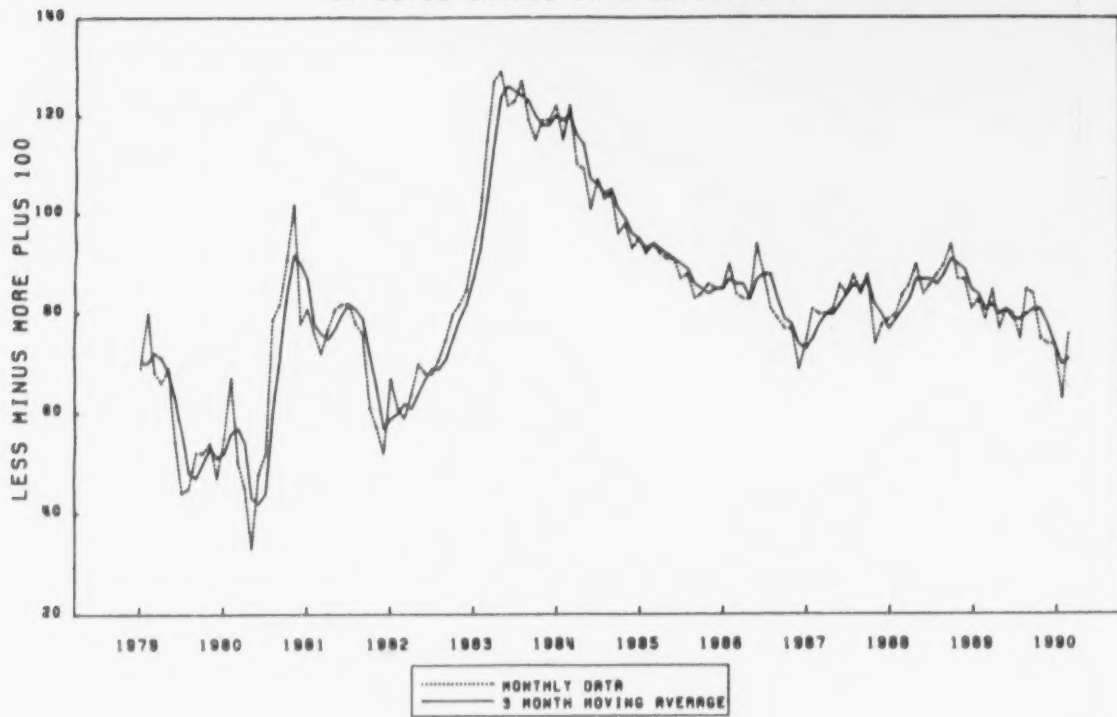


CHART 17 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

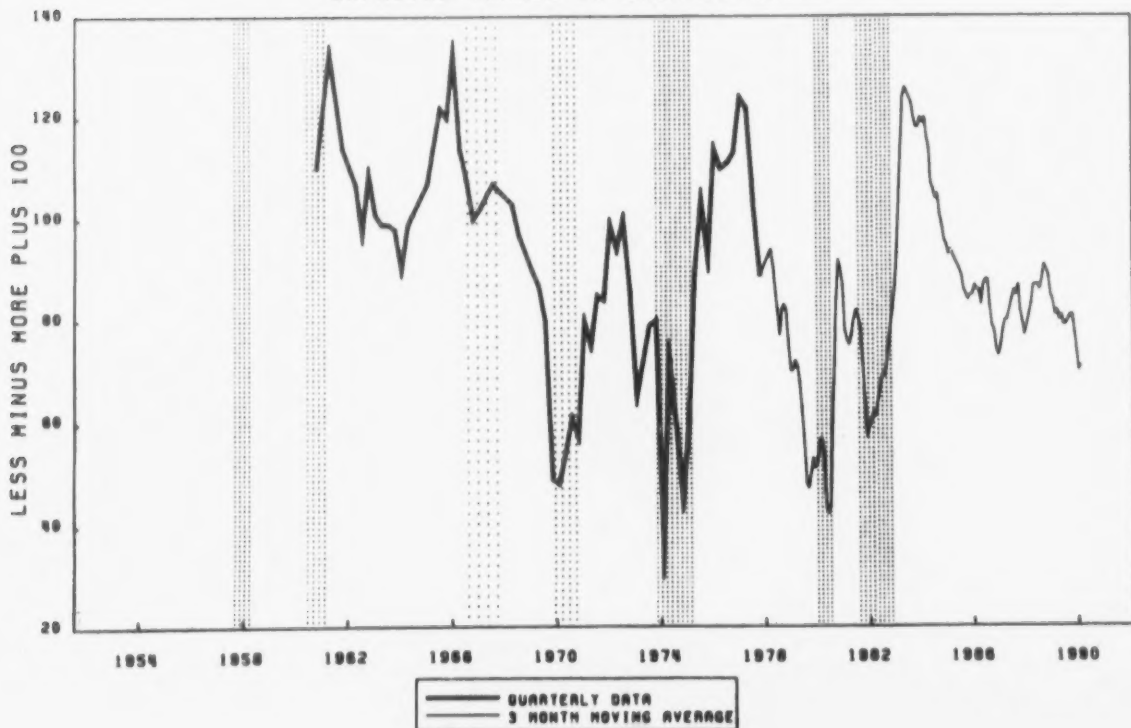


TABLE 17

EXPECTED CHANGE IN UNEMPLOYMENT

	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990
LESS	12%	14%	12%	10%	11%	10%	11%	14%	10%	11%	10%	7%	10%
SAME	53	55	52	59	57	54	61	55	54	51	52	48	55
MORE	33	29	35	29	31	35	26	30	35	37	36	44	34
DK,NA	2	2	1	2	1	1	2	1	1	1	2	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	502	500	503	507	501	502	506	500	502	500	500	511	503

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

CHART 18 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

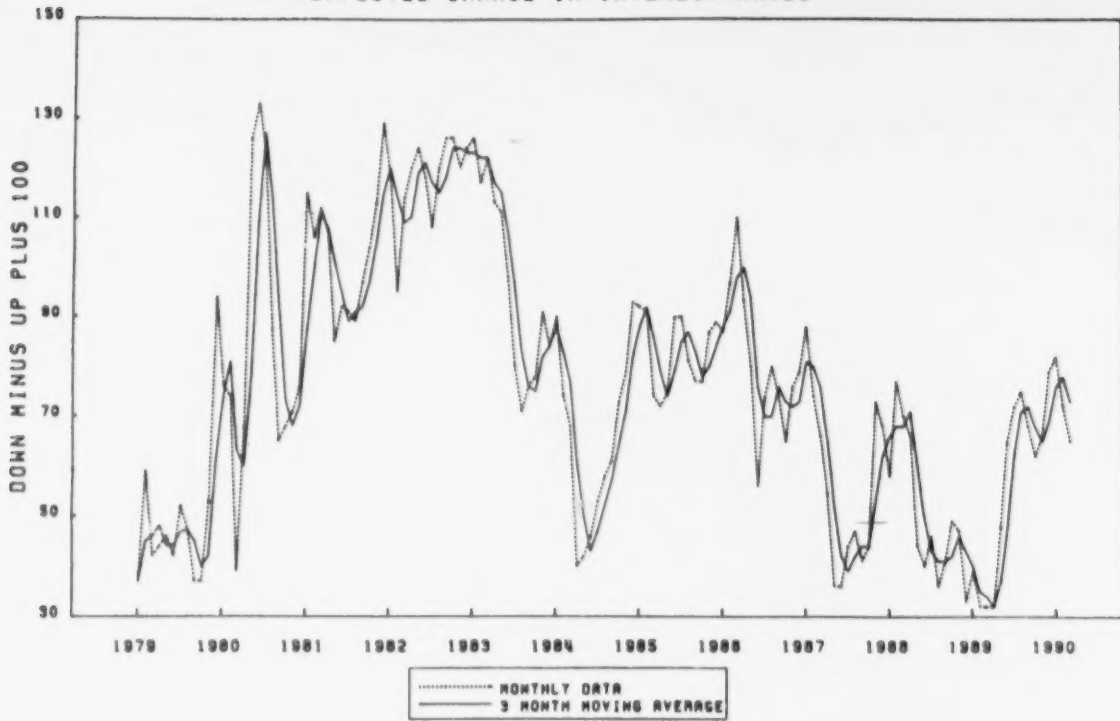


CHART 18 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

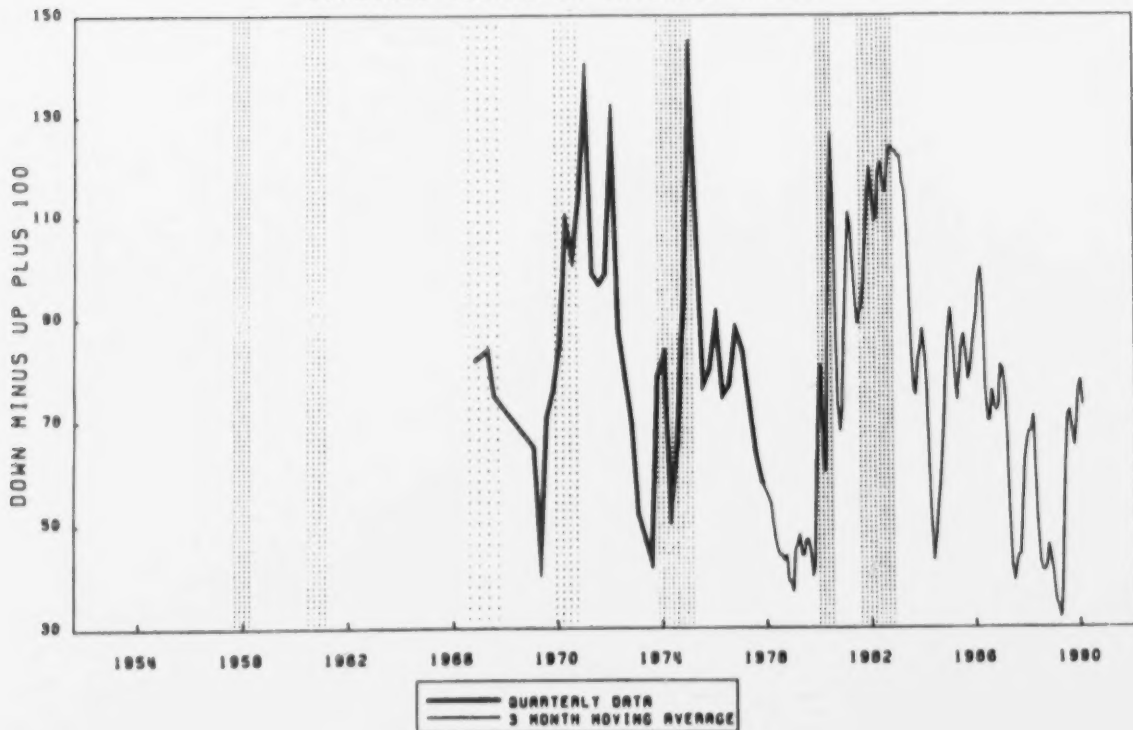


TABLE 18

EXPECTED CHANGE IN INTEREST RATES

	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990
GO UP	73%	75%	64%	54%	51%	49%	50%	55%	52%	46%	45%	48%	51%
STAY THE SAME	20	17	20	24	25	24	30	26	27	26	26	29	32
GO DOWN	5	7	12	19	23	24	18	17	18	25	27	20	16
DK,NA	2	1	4	3	1	3	2	2	3	3	2	3	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	502	500	503	507	501	502	506	500	502	500	500	511	503

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 19 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS



CHART 19 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

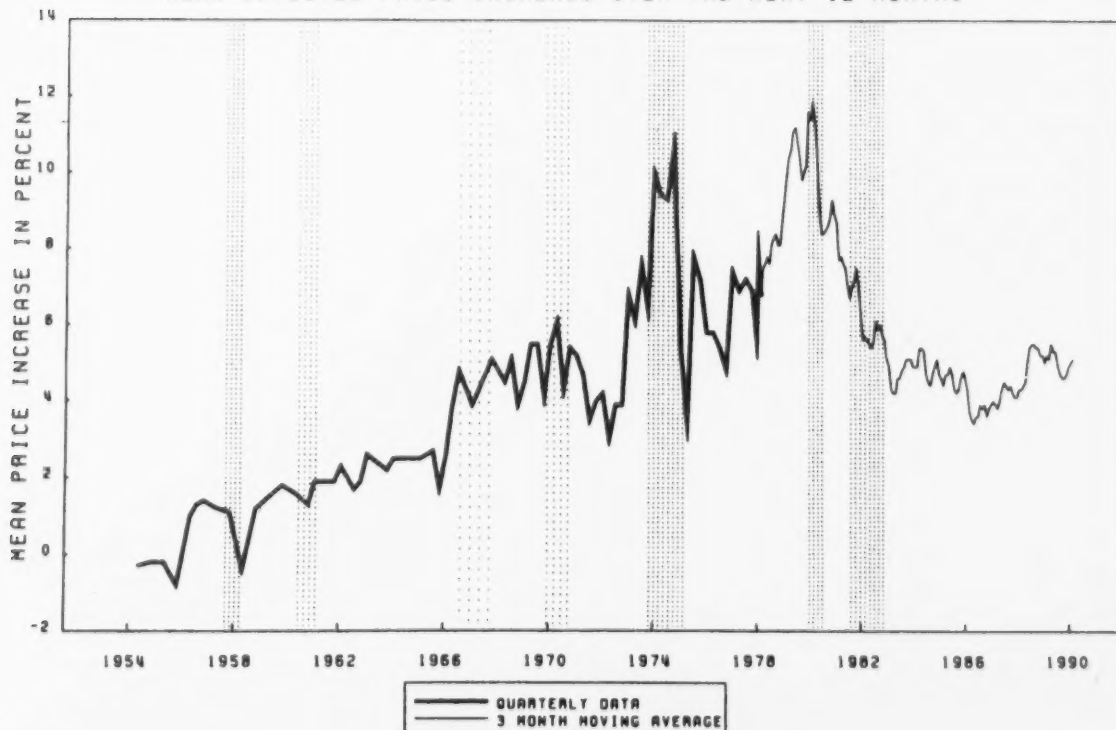


TABLE 19

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990
SAME OR DOWN	12%	8%	10%	10%	10%	13%	13%	12%	12%	10%	11%	15%	11%
WILL GO UP BY:													
1-2%	18	17	16	18	18	18	21	19	17	21	14	13	18
3-4%	23	23	19	24	21	23	24	23	26	21	24	23	24
5%	17	21	23	19	22	21	21	19	19	23	21	22	20
6-9%	9	10	9	9	9	6	6	9	7	10	8	10	8
10-14%	9	10	11	10	8	9	6	8	8	5	10	8	8
15% or more	7	5	7	5	5	3	3	3	4	5	5	4	5
DK how much up	4	6	4	5	6	6	5	5	6	5	5	5	6
DK, NA	1	*	1	*	1	1	1	2	1	*	2	*	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	5.6	5.0	5.8	5.0	5.1	4.7	4.4	4.7	4.7	4.6	5.4	5.1	4.9
VARIANCE	64	24	49	34	39	42	32	32	31	28	49	45	38
CASES	502	500	503	507	501	502	506	500	502	500	500	511	503

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 20 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

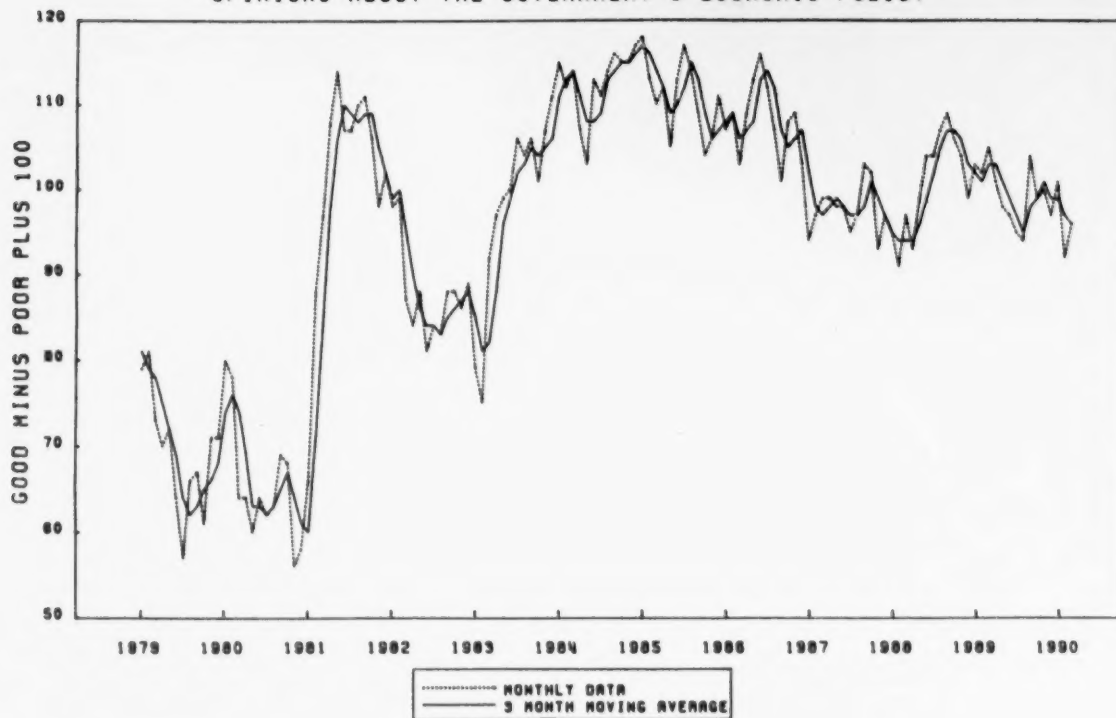


CHART 20 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

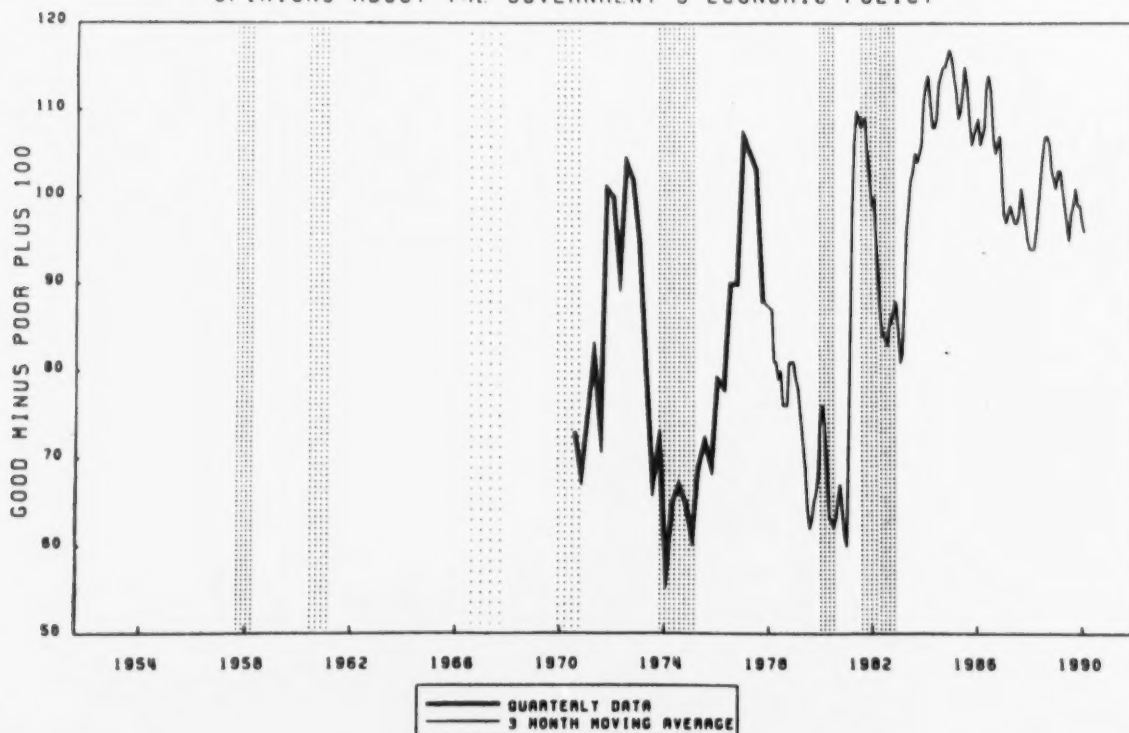


TABLE 20

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990
A GOOD JOB	25%	19%	19%	20%	18%	18%	21%	18%	17%	20%	18%	17%	19%
ONLY FAIR	52	59	57	55	56	56	60	61	64	55	63	57	56
A POOR JOB	20	18	21	23	23	24	17	19	17	23	17	25	23
DK,NA	3	4	3	2	3	2	2	2	2	2	2	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	502	500	503	507	501	502	506	500	502	500	500	511	503

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 21 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

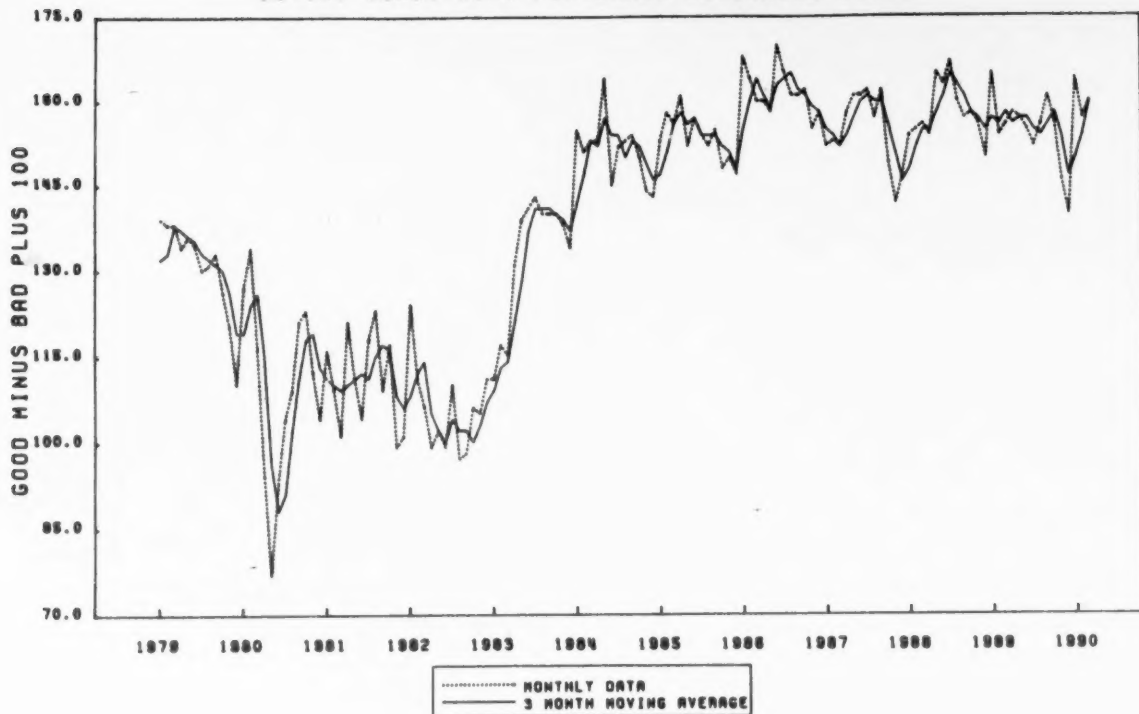


CHART 21 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

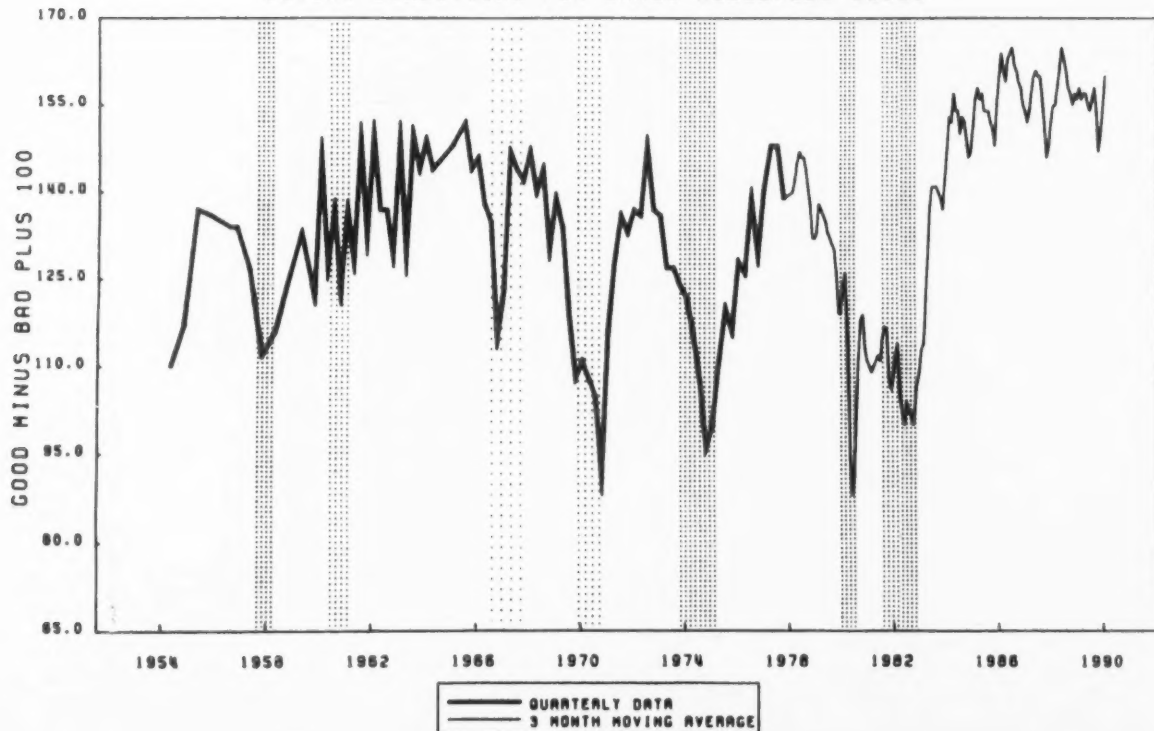


TABLE 21

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990
GOOD TIME TO BUY	72%	75%	73%	71%	71%	73%	75%	73%	67%	65%	77%	74%	76%
UNCERTAIN, DEPENDS	12	8	11	13	10	10	11	10	12	10	10	9	8
BAD TIME TO BUY	16	17	16	16	19	17	14	17	21	25	13	17	16
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	502	500	503	507	501	502	506	500	502	500	500	511	503

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 22A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

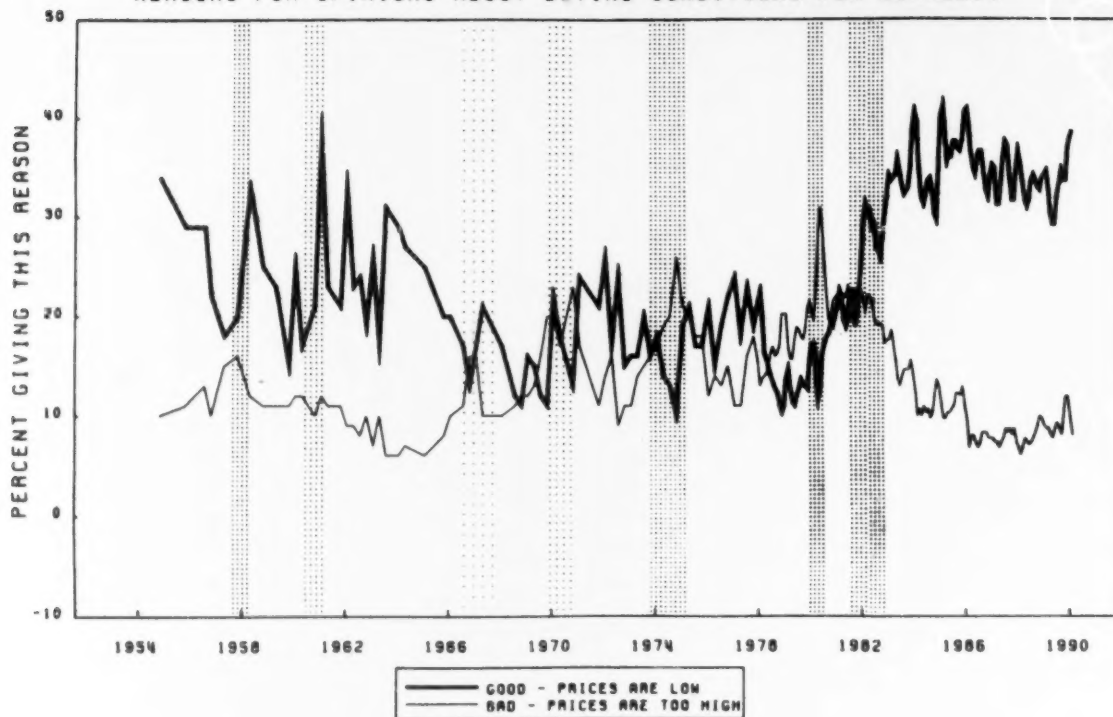


CHART 22B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

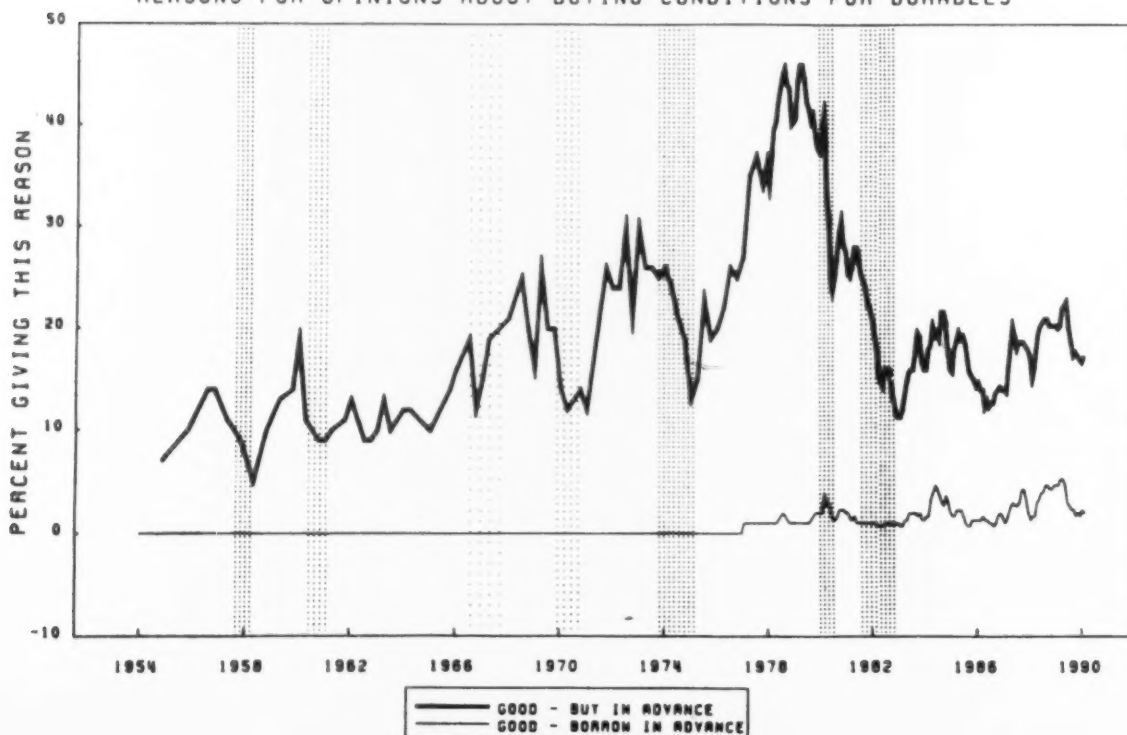


TABLE 22

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990
--	--------------	--------------	-------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------

GOOD TIME TO BUY:

Prices are low; good buys available	33%	31%	27%	30%	31%	35%	34%	35%	32%	34%	45%	35%	36%
Prices won't come down; are going higher	20	22	24	21	23	16	17	19	17	16	18	16	18
Interest rates are low	6	4	5	5	7	7	7	5	7	5	5	5	8
Borrow-in-advance of rising interest rates	5	7	4	3	2	3	2	2	1	3	1	3	2
Times are good; prosperity	7	8	6	6	5	2	8	6	4	3	4	4	8

BAD TIME TO BUY:

Prices are high	10	7	7	9	10	9	7	8	14	14	8	8	8
Interest rates are high; credit is tight	5	8	5	6	4	4	2	3	3	4	2	3	3
Lack of purchasing power	5	6	7	6	6	5	6	6	6	8	4	8	7
Times are bad; can't afford to buy	4	4	4	3	3	2	4	4	5	5	2	6	5
Bad times ahead; uncertain future	1	2	3	3	3	3	2	2	1	3	2	2	3

Responses to the query: "Why do you say so?" following the question on Table 21.
+ : May add to more than 100% due to multiple mentions.

CHART 22C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

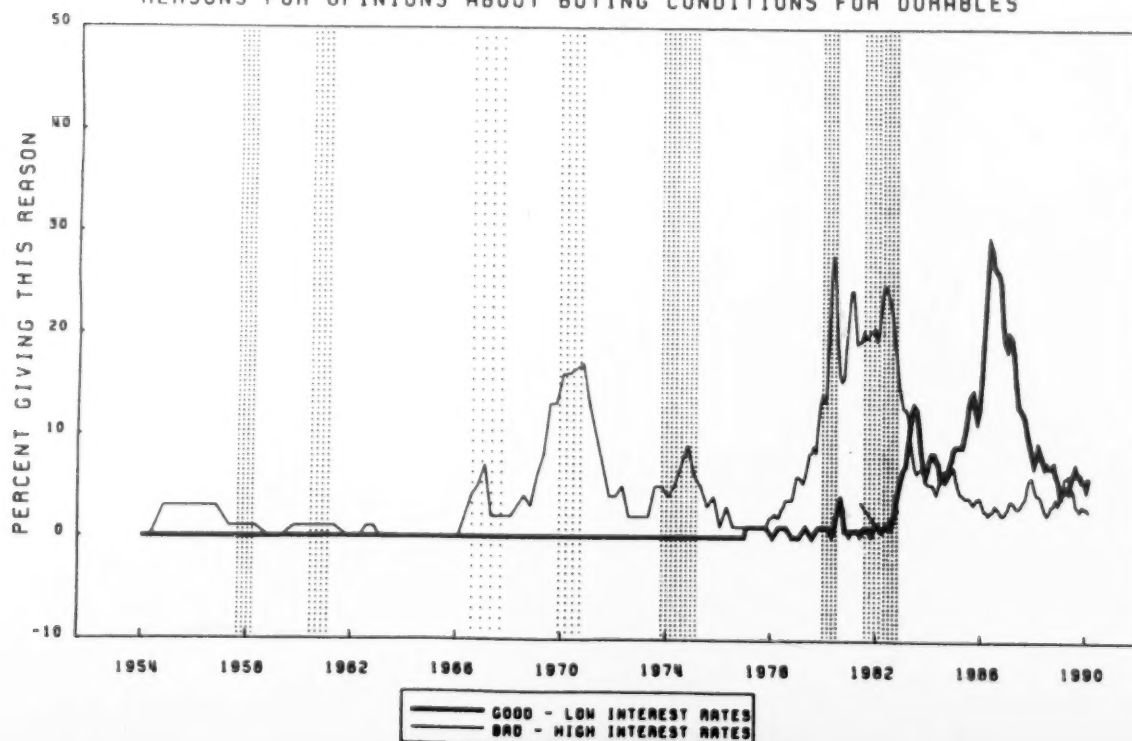


CHART 23 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

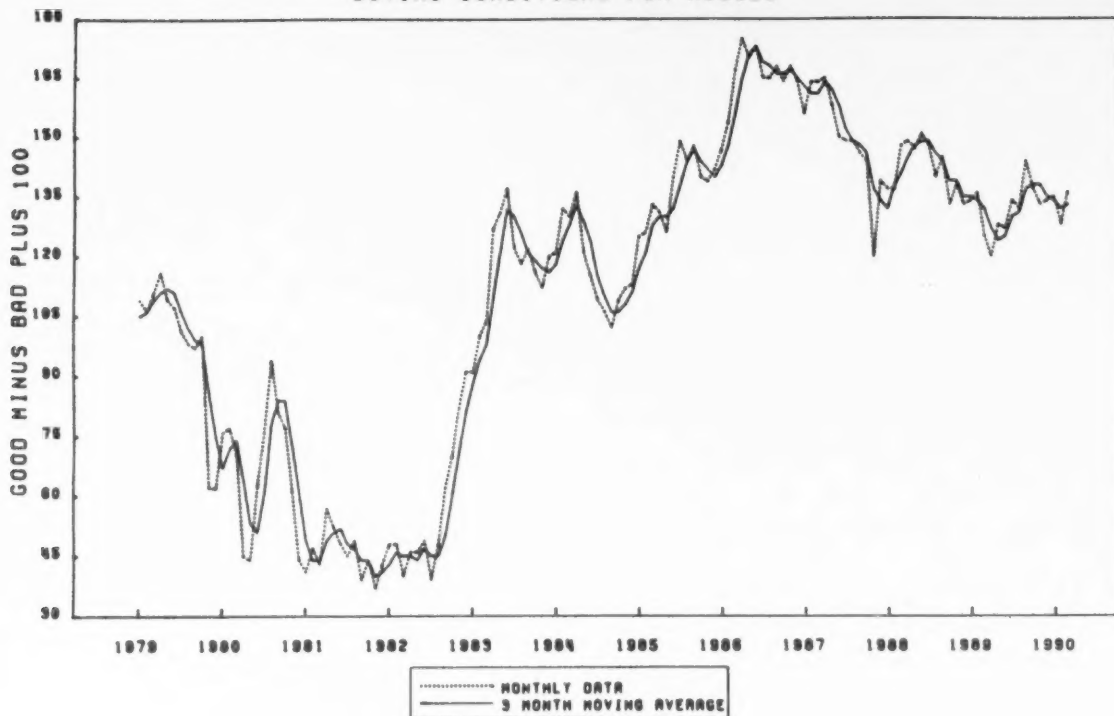


CHART 23 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

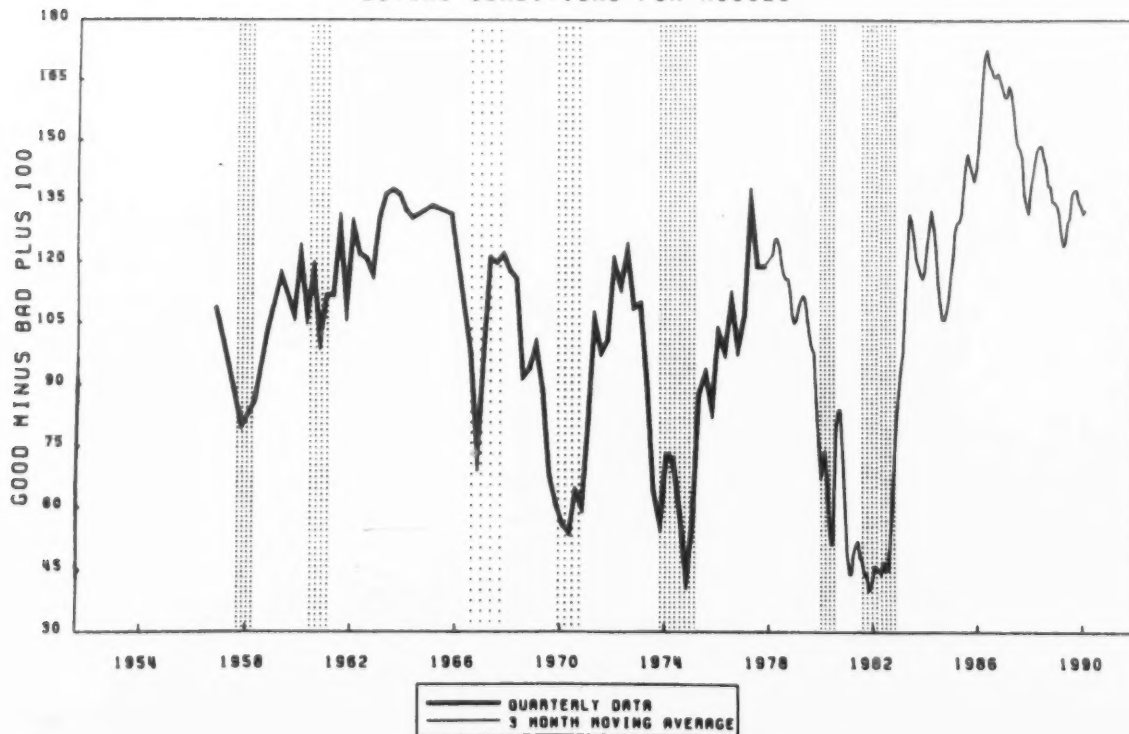


TABLE 23

BUYING CONDITIONS FOR HOUSES

	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990
GOOD TIME TO BUY	60%	58%	61%	61%	64%	64%	70%	66%	63%	64%	64%	62%	66%
UNCERTAIN, DEPENDS	5	4	6	5	6	4	4	5	7	6	7	4	4
BAD TIME TO BUY	35	38	33	34	30	32	26	29	30	30	29	34	30
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	502	500	503	507	501	502	506	500	502	500	500	511	503

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 24A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

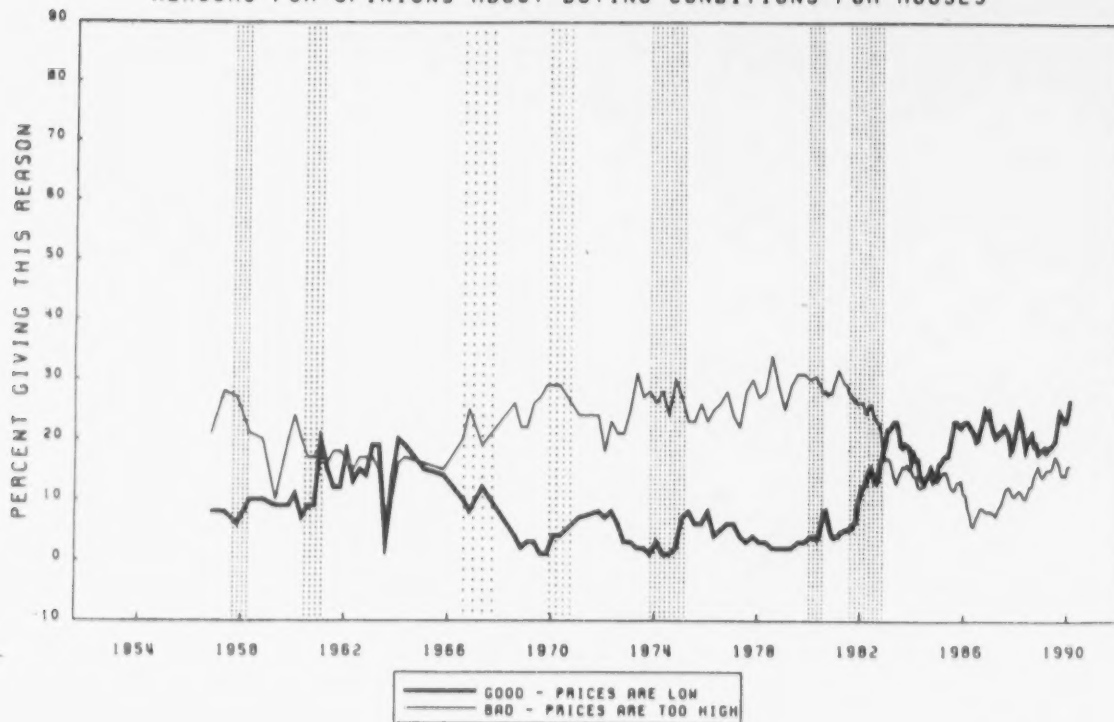


CHART 24B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

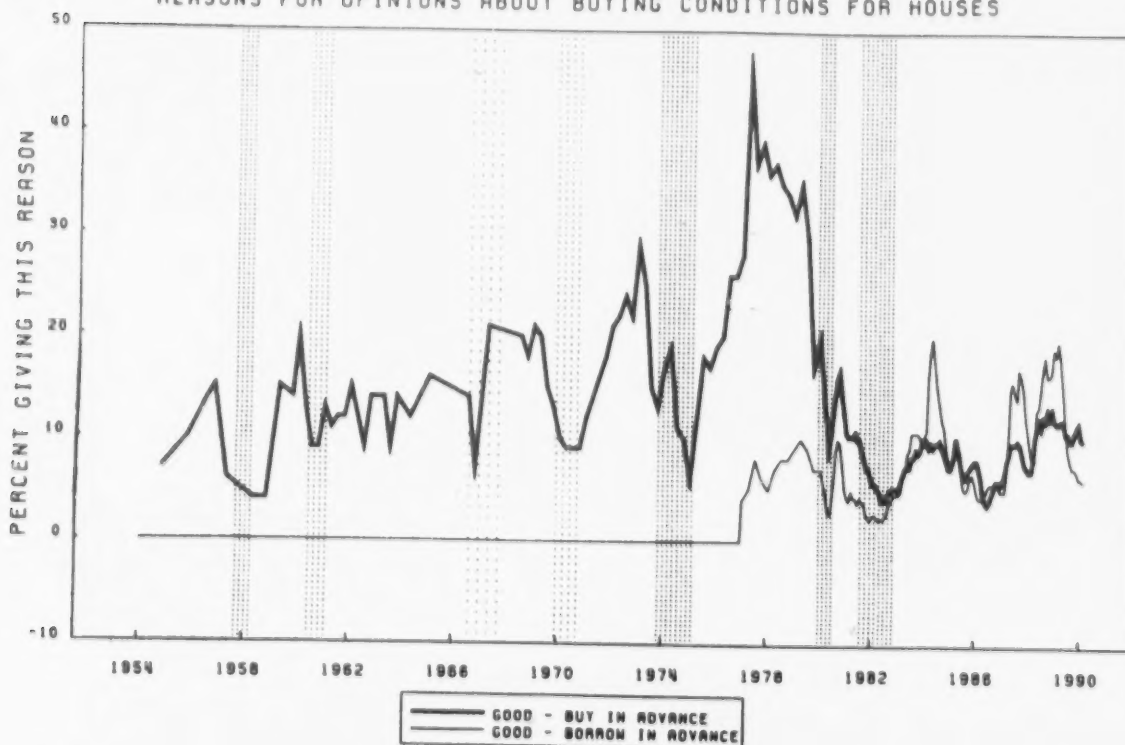


TABLE 24
SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept. 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990
GOOD TIME TO BUY:													
Prices are low; good buys available	17%	17%	22%	17%	19%	23%	25%	26%	21%	22%	26%	25%	29%
Prices won't come down; are going higher	12	13	11	12	9	11	10	9	13	12	10	9	11
Interest rates are low	17	16	16	22	27	28	36	29	29	26	31	25	28
Borrow-in-advance of rising interest rates	19	20	15	11	8	8	8	6	8	7	4	8	6
Good investment	9	6	8	9	8	6	7	6	8	8	8	6	6
Times are good; prosperity	2	4	4	3	5	3	4	5	2	3	2	3	4

BAD TIME TO BUY:

Prices are high	16	16	13	16	18	18	14	15	13	15	14	18	15
Interest rates are high; credit is tight	24	28	25	23	15	15	14	13	15	17	13	18	18
Times are bad; can't afford to buy	7	7	6	5	6	6	6	6	8	6	6	8	5
Bad times ahead; uncertain future	3	4	3	2	2	2	2	1	2	3	4	2	4

Responses to the query: "Why do you say so?" following the question on Table 23.
+ : May add to more than 100% due to multiple mentions.

CHART 24C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

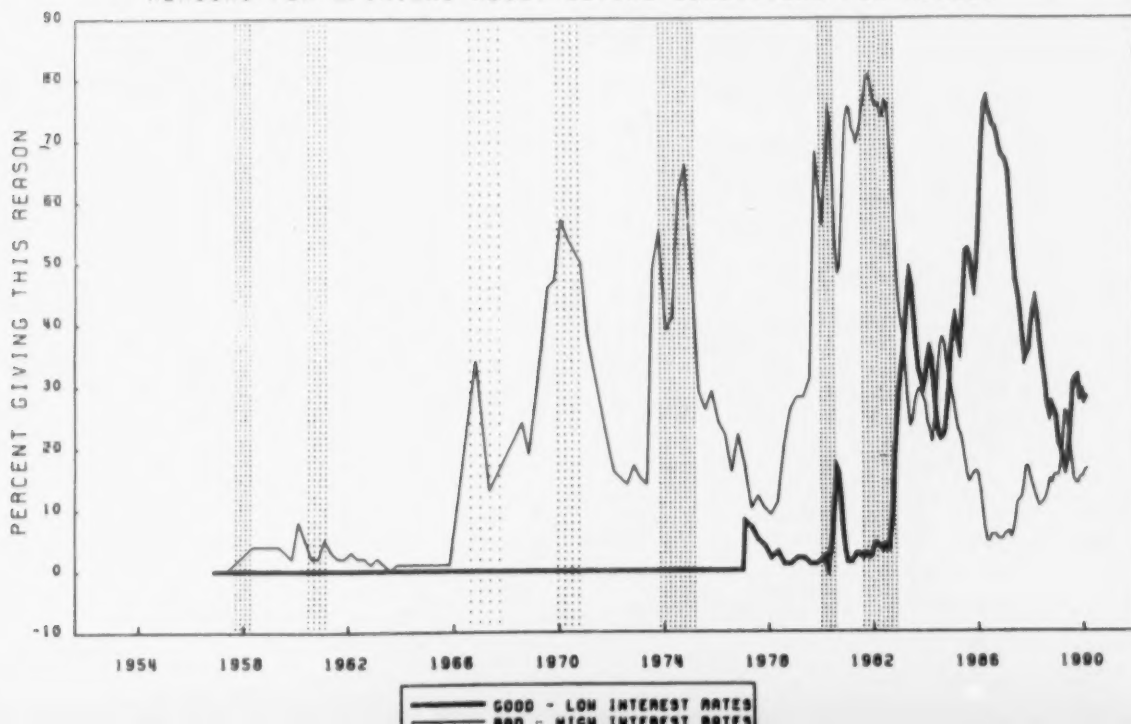


CHART 25 - RECENT CHANGES
BUYING CONDITIONS FOR CARS



CHART 25 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

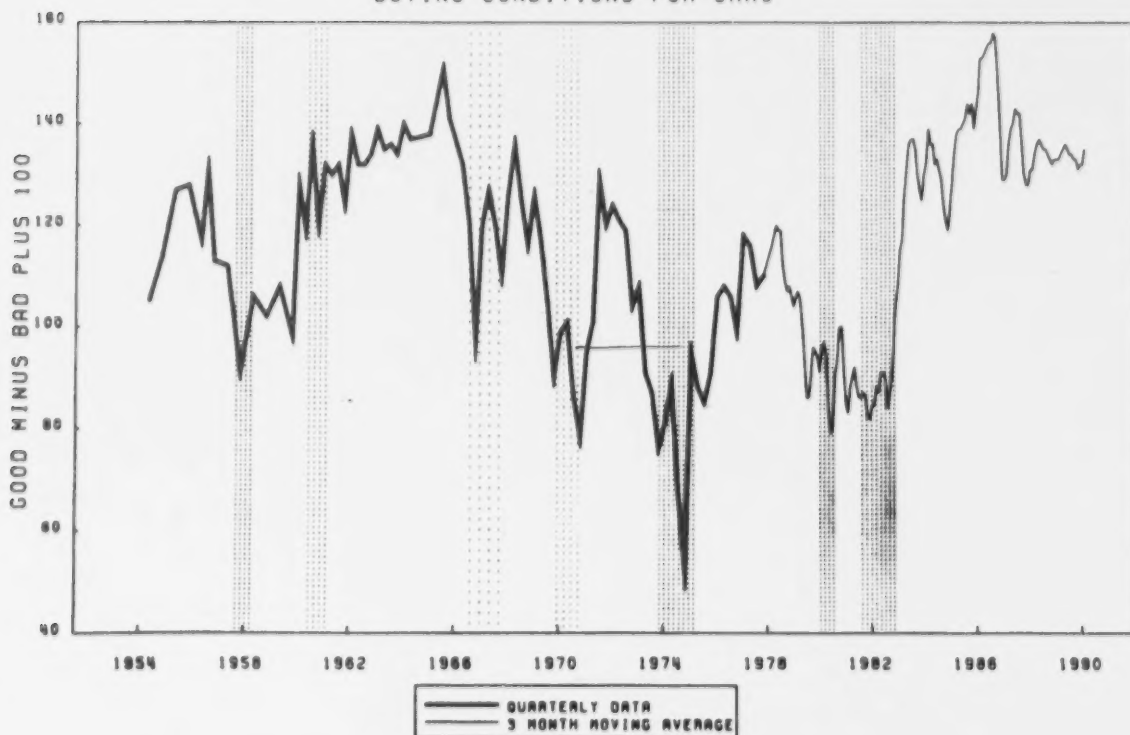


TABLE 25

BUYING CONDITIONS FOR CARS

	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990
GOOD TIME TO BUY	61%	65%	63%	61%	64%	61%	61%	62%	62%	58%	63%	63%	65%
UNCERTAIN; DEPENDS	8	9	10	10	10	11	9	10	10	10	11	6	6
BAD TIME TO BUY	31	26	27	29	26	28	30	28	28	32	26	31	29
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	502	500	503	507	501	502	506	500	502	500	500	511	503

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 26A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

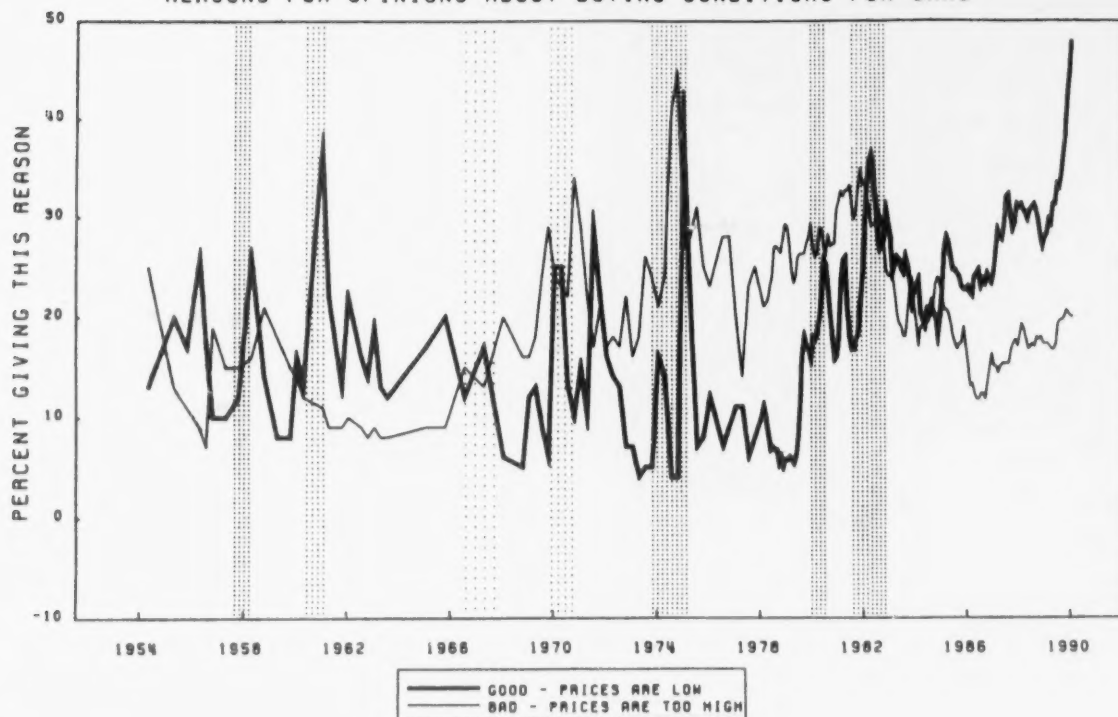


CHART 26B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

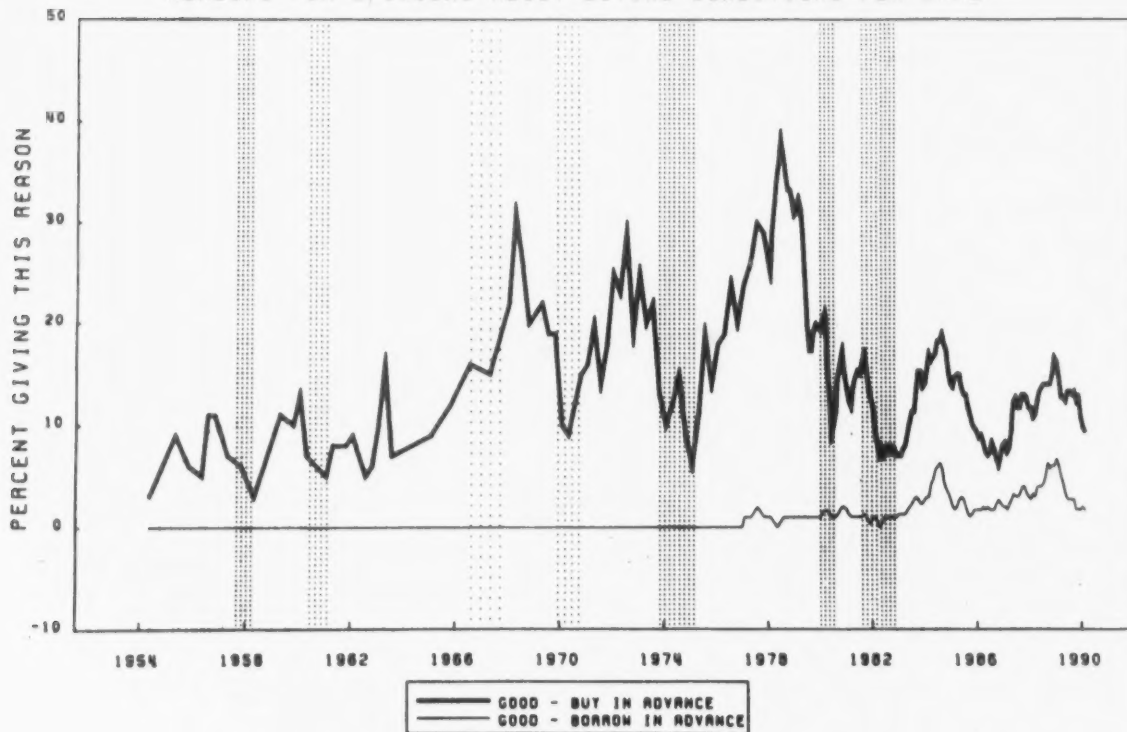


TABLE 26
SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

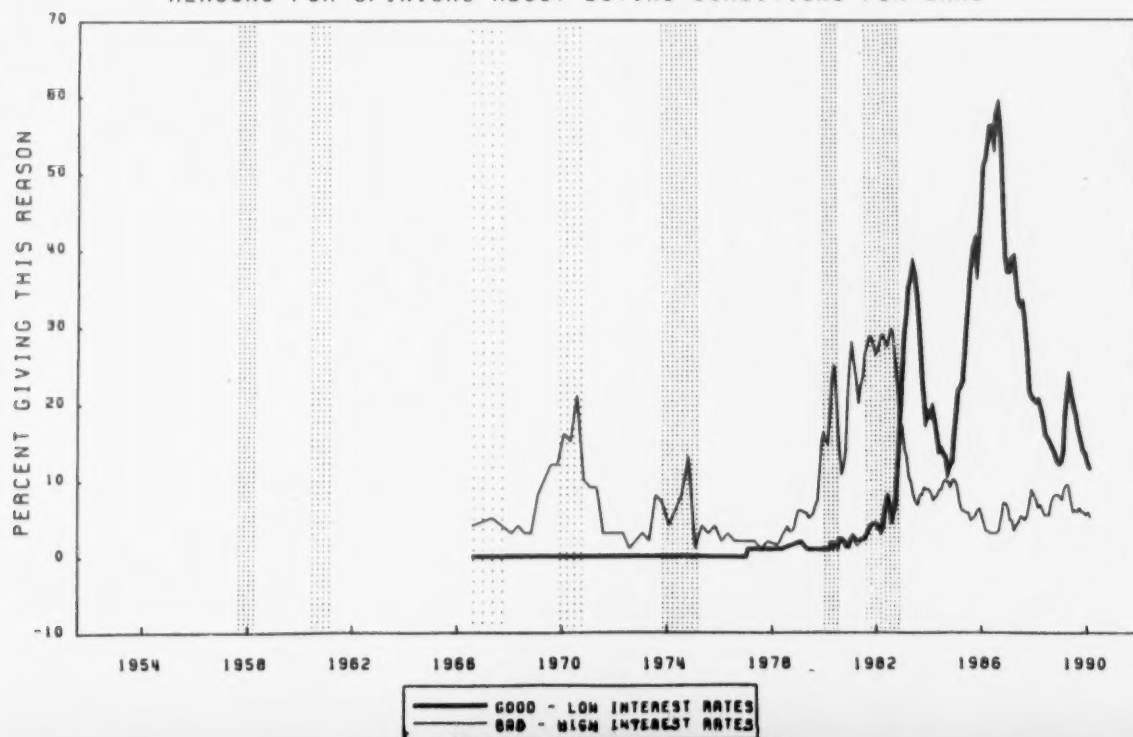
	Mar. 1989	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990
GOOD TIME TO BUY:													
Prices are low; good buys available	27%	32%	29%	33%	32%	35%	32%	36%	41%	38%	48%	48%	48%
Prices won't come down; are going higher	12	12	14	11	15	14	10	16	11	11	10	8	10
Interest rates are low	15	25	23	21	19	18	18	13	15	13	12	11	11
Borrow-in-advance of rising interest rates	5	4	4	2	2	4	2	2	1	2	2	2	1
Times are good; prosperity	3	3	3	2	3	2	4	3	2	1	2	2	2

BAD TIME TO BUY:

Prices are high	18	16	16	18	18	22	19	18	23	21	17	22	21
Interest rates are high; credit is tight	13	9	6	7	4	7	6	6	5	6	5	6	4
Times are bad; can't afford to buy	2	3	4	3	2	2	5	4	4	4	2	4	4
Bad times ahead; uncertain future	2	3	2	1	1	2	1	2	1	1	2	2	2
Poor selection; quality	3	2	3	2	3	2	3	2	3	4	3	3	4

Responses to the query: "Why do you say so?" following the question on Table 25.
+ : May add to more than 100% due to multiple mentions.

CHART 26C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS



EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES

THE INDEX OF CONSUMER SENTIMENT

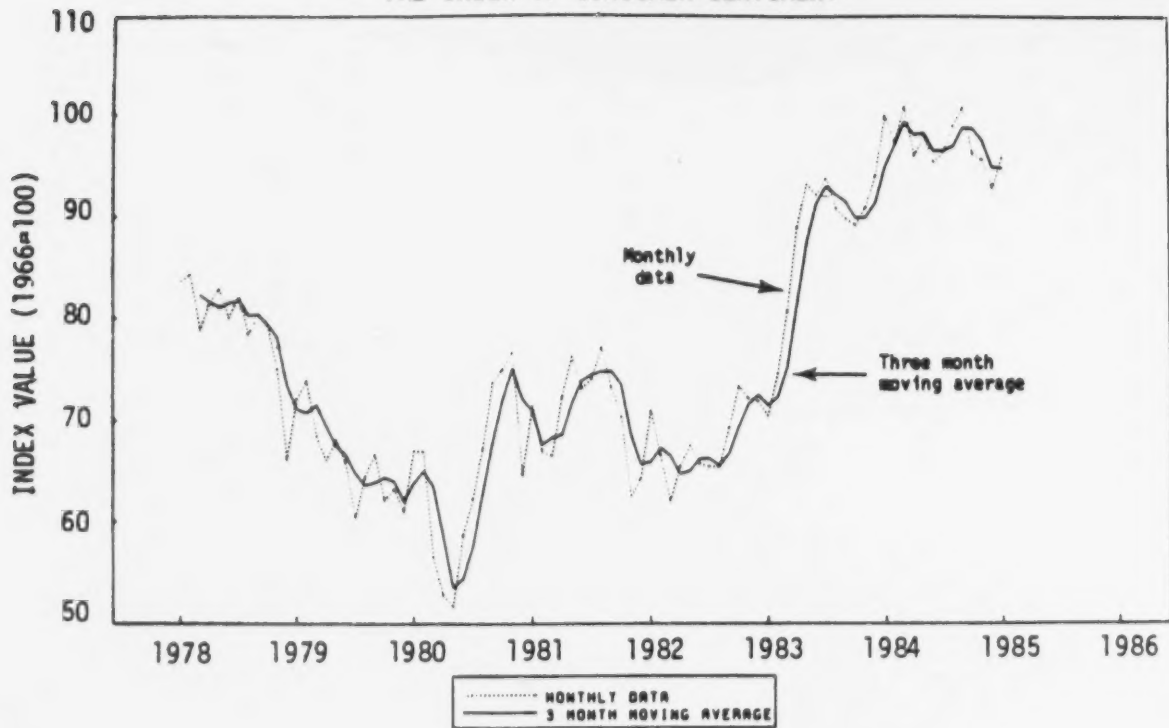
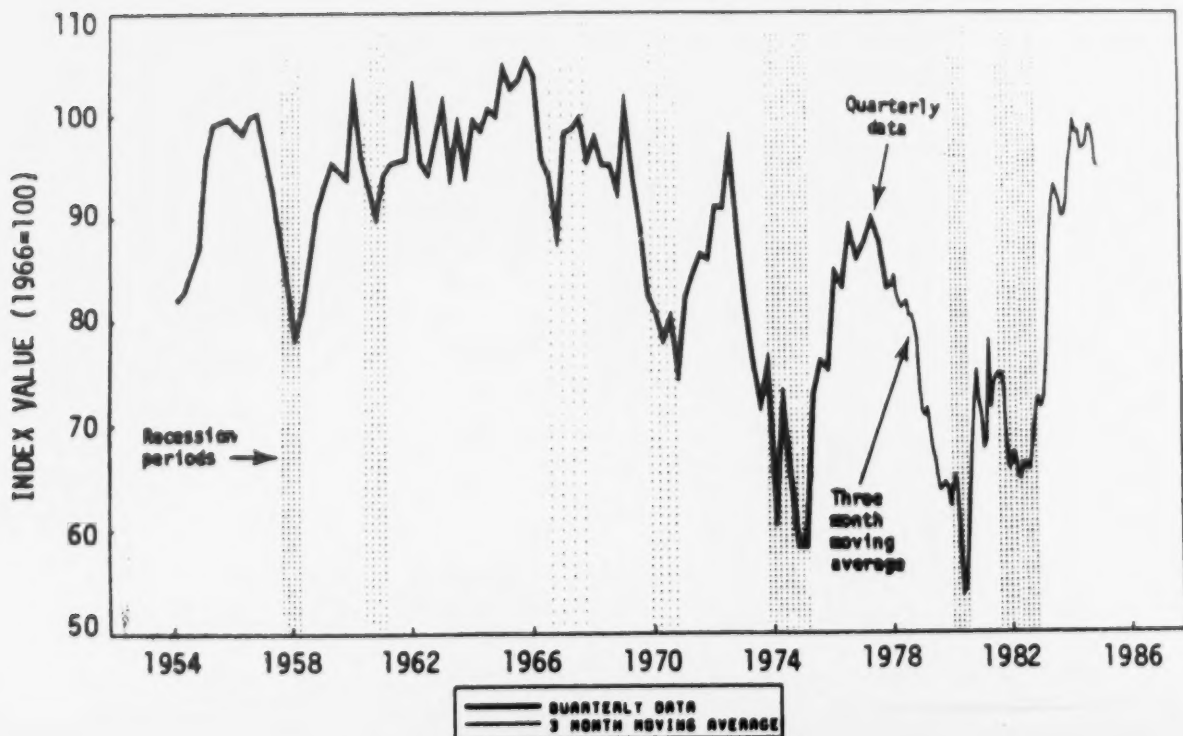


CHART 1 - HISTORICAL SERIES

THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHARTS

DATA POINTS

QUARTERLY DATA: Data collected by surveys conducted at three month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE-MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

TIME SCALE

Each tic mark on the time scale represents the month of January for the indicated year.

RECESSION PERIODS

November	1948 - October	1949
July	1953 - May	1954
August	1957 - April	1958
April	1960 - February	1961
June	1966 - November	1967*
December	1969 - November	1970
November	1973 - March	1975
January	1980 - July	1980
July	1981 - November	1982

Recession dates are determined by the National Bureau of Economic Research.

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters

***GROWTH RECESSION:** Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

RECOMMENDED ALLOWANCE FOR SAMPLING ERROR OF A PERCENTAGE
(Sampling Error Allowance in Percentage Points¹)

For Estimated Percentage Near	Number of Interviews											
	100	200	300	400	500	750	1000	1250	1500	2000	2500	3000
1% or 99%	2.2	1.6	1.3	1.1	1.0	0.8	0.7	0.6	0.6	0.5	0.4	0.4
5% or 95%	4.9	3.5	2.8	2.4	2.2	1.8	1.5	1.4	1.3	1.1	1.0	0.9
10% or 90%	6.7	4.8	3.9	3.4	3.0	2.4	2.1	1.9	1.7	1.5	1.3	1.2
20% or 80%	9.0	6.3	5.2	4.5	4.0	3.3	2.8	2.5	2.3	2.0	1.8	1.6
30% or 70%	10.3	7.3	5.9	5.1	4.6	3.7	3.2	2.9	2.6	2.3	2.0	1.9
40% or 60%	11.0	7.8	6.3	5.5	4.9	4.0	3.5	3.1	2.8	2.4	2.2	2.0
50%	11.2	7.9	6.5	5.6	5.0	4.1	3.5	3.2	2.9	2.5	2.2	2.0

¹The figures in this table represent two standard errors. Hence, the chances are 95 in 100 that the true percentage lies within a range equal to the observed percentage, plus or minus the sampling error.

April 1990 Monthly Survey

May 4, 1990

Surveys of Consumers

Richard T. Curtin, *Director*

Improved Personal Financial Prospects

Overall Sentiment Improves

The Index of Consumer Sentiment rose to 93.9 in the April 1990 survey, up from 91.3 one month earlier and 91.5 one year earlier. The improvement was due to more favorable assessments by consumers of their personal financial situation.

Among families with incomes of \$40,000 or more, the index rose to 103.3 in the April 1990 survey, from 98.8 in March and 99.8 in April 1989.

The Index of Consumer Expectations, the component of the Leading Indicators Index, rose to 83.9 in April from the 81.3 recorded in the prior two months, but remained below the 87.2 recorded six months ago.

Northeast Slump

The most notable exception to the overall improvement in sentiment was among residents of the Northeast. Indeed, consumer sentiment among residents of the Northeast fell to its lowest level since the start of the current expansion in the April 1990 survey, while the sentiment index for residents of the Southern and Western regions had nearly regained their cyclical peaks. At present, the difference is quite sharp, amounting to as much as 25 index-points--75.9 in the Northeast versus 101.1 in the West, 100.1 in the South, and 95.6 in the North Central.

To be sure, not only has sentiment been less favorable in the Northeast in recent months, it also

has traced a more volatile course. Last November the Index among residents of the Northeast fell to 77.5, subsequently rebounded to 91.0 by January 1990, and then return to the mid 70s by April. While it is true that a one-month decline in a volatile series probably overstates the problem, the volatile trend does indicate a heightened sense of uncertainty about economic prospects now prevalent among residents of the Northeast.

Personal Financial Prospects Viewed Very Favorably

American families not only reported that their current financial situation had improved in the April 1990 survey, they also expected further improvement during the year ahead.

Improvement in their current financial situation was reported by 46 percent of all families in the April 1990 survey, up from 43 percent one month earlier and the recent low of 38 percent recorded in February. The April 1990 reading was the most favorable since mid 1988.

The improvement in their financial situation was due to more favorable price and income trends. Complaints about rising prices fell to 13 percent in April from 15 percent one month earlier and 17 percent two months earlier. Income increases were reported by 34 percent of all families in the April 1990 survey, up from 30 percent in February; at the same time, reports of income declines fell to 13 from 16 percent.

Families viewed financial prospects for the year ahead quite favorably. Among all families in the April 1990 survey, 45 percent expected their personal financial situation to improve during the year ahead, up from 37 percent one month earlier and 41 percent one year earlier. Although barely above the 44 percent recorded in March 1984, the April 1990 reading of 45 percent was the highest recorded during the current expansion.

Inflation Rate Expected to Ease

Consumers expected the rate of inflation to average 4.5% during the year ahead in the April 1990 survey, down from 4.9% one month earlier and 5.4% at the start of the year. These data indicate that the adverse impact on food and energy prices from the winter freeze has now been fully discounted by consumers.

Outlook for Economy: Sluggish Growth

The April survey recorded very little change in consumers assessments of the national economy. For the third consecutive month, more families thought that the national economy worsened rather than improved during the past year, by the margin of 44 to 38 percent in April. And the majority of consumers expected the national economy to continue on the same course of sluggish economic growth during the year ahead. Following the very dismal fourth quarter, favorable expectations did improve somewhat during the past few months, but only to a small degree. In the April 1990 survey, 24 percent expected the national economy to improve, up from 19 percent two months ago, while the proportion that expected worsening conditions fell to 17 from 23 percent.

Nearly half (49 percent) of all families expected good times financially in the country as a whole during the year ahead, just above the 48 percent recorded one month earlier and equal to the year earlier figure.

Unemployment Still Top Concern

The majority of families in the April 1990 survey expected the national unemployment rate to remain largely unchanged during the year ahead. On the margin, however, more than three times as many respondents expected increases in the unemployment rate rather than decreases (36 versus 11 percent). This view has shown little change since the start of the year, and is more negative than recorded in 1989.

Interest Rates Expected To Edge Upward

Interest rates were expected to increase by 55 percent of all families in the April 1990 survey, up from 51 percent in March and 45 percent at the start of the year. Although interest rate expectations have grown less favorable since January 1990, they are not nearly as unfavorable in April 1990 as in April 1989, when 75 percent expected interest rate increases.

Buying Attitudes Remain Favorable

Attitudes toward buying conditions for vehicles, homes, and large household durables remained favorable in the April 1990 survey. These favorable buying attitudes continue to be based almost exclusively on the availability of lower and discounted prices.

Durables. Favorable attitudes toward buying conditions for furniture, appliances and home electronics were held by 78 percent of all families in the April 1990 survey, slightly ahead of the 76 percent recorded one month earlier and the 75 percent recorded one year earlier. These favorable assessments continue to be supported by favorable perceptions of market prices. The availability of price discounts was reported by 35 percent of all families in April, unchanged from the prior two months, and somewhat above the 31 percent recorded a year earlier.

Homes. Favorable home buying attitudes were held by 68 percent of all families in the April 1990 survey, up from 66 percent one month earlier and 58 percent one year earlier. The sharp improvement from one year ago was due to both more favorable perceptions of prices and interest rates.

References to the availability of lower prices for homes were made by 27 percent of all families in the April 1990 survey, just below the all-time record of 29 percent recorded in the prior month, and substantially above the 17 percent recorded one year earlier.

Complaints about high mortgage interest rates fell to 14 percent in April 1990 from 18 percent one month earlier and 28 percent one year earlier.

Vehicles. Favorable car buying attitudes were held by 66 percent of all families in the April 1990 survey, just ahead of the 65 percent recorded both one month and one year earlier.

References to price discounts were made by 45 percent of all families in the April 1990 survey, just below the all-time record of 48 percent recorded in each of the prior three months, and well above the 32 percent recorded one year earlier.

* * *

The April 1990 survey included 504 completed interviews conducted between April 1 and April 27, 1990.

SURVEYS OF CONSUMERS

APRIL 1990

The April 1990 survey was the 261st in a series of Surveys of Consumers conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results for the total sample will differ by no more than 5 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

While every effort is made to accurately measure consumer attitudes and expectations, factors other than sampling may also affect the accuracy of these (and other) findings. These factors may include effects of the question wording, the ability of respondents to articulate answers and opinions, refusal to participate in the survey, and incomplete coverage of the population. There are no standard measures of these effects, but their presence should be acknowledged when using these and all other survey data. While measurement effects are present in all surveys, a noted advantage of time-series data is that the non-sampling influences remain relatively constant across samples.

TABLE OF CONTENTS

TABLE	TITLE
1.	The Index of Consumer Sentiment
2.	Index of Consumer Sentiment within Region and Age Subgroups
3.	Components of the Index of Consumer Sentiment
4.	Current Financial Situation Compared to a Year Ago
5.	Selected Reasons for Opinions About Personal Financial Situation
6.	Expected Change in Financial Situation
7.	Trend in Personal Financial Situation
8.	Expected Family Income Change During the Next 12 Months
9.	Expected Change in Real Family Income
10.	News Heard of Recent Changes in Business Conditions
11.	Selected Items of News Heard of Recent Changes in Business Conditions
12.	Current Business Conditions Compared to a Year Ago
13.	Expected Change in Business Conditions in a Year
14.	Trend in Past and Expected Changes in Business Conditions
15.	Business Conditions Expected During the Next 12 Months
16.	Business Conditions Expected During the Next 5 Years
17.	Expected Change in Unemployment
18.	Expected Change in Interest Rates
19.	Expected Change in Prices During the Next 12 Months
20.	Opinions About the Government's Economic Policy
21.	Buying Conditions for Large Household Goods
22.	Selected Reasons About Buying Conditions for Large Household Goods
23.	Buying Conditions for Houses
24.	Selected Reasons for Opinions About Buying Conditions for Houses
25.	Buying Conditions for Cars
26.	Selected Reasons for Opinions About Buying Conditions for Cars

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT



CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

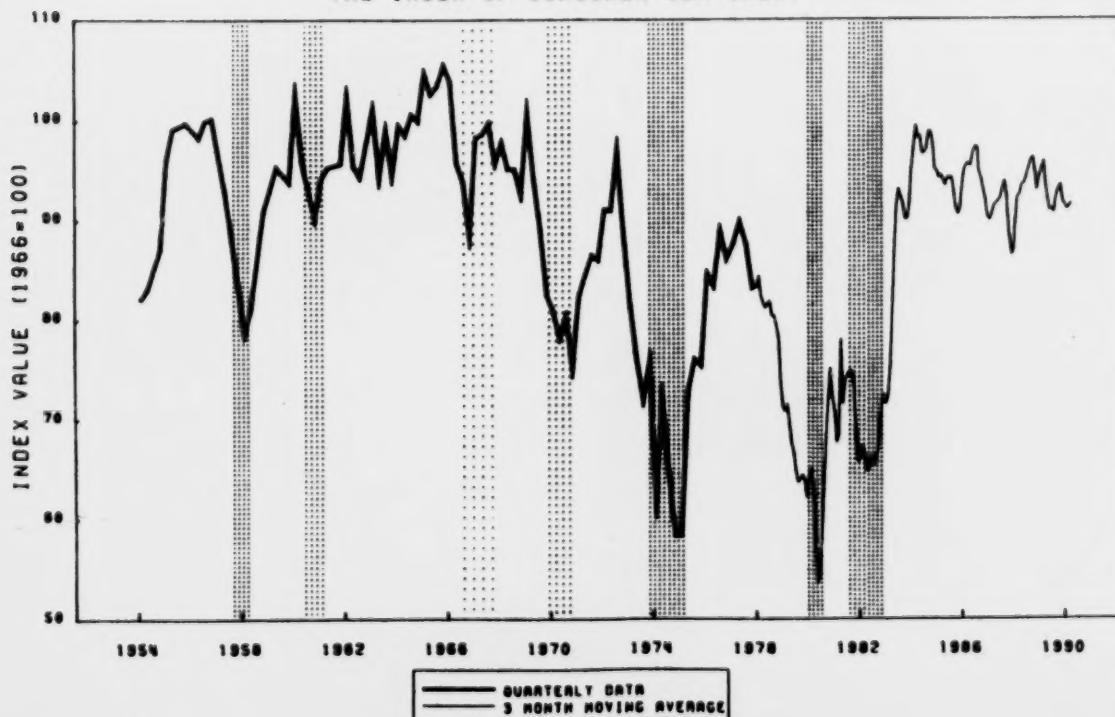


TABLE 1
THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	All families	Families with incomes over \$30,000	Families with incomes over \$40,000
April 1987	92.8	98.5	103.1
May 1987	91.1	97.7	99.2
June 1987	91.5	102.9	102.9
July 1987	93.7	102.5	104.0
August 1987	94.4	104.4	109.1
September 1987	93.6	100.6	104.3
October 1987	89.3	99.9	101.8
November 1987	83.1	87.7	90.5
December 1987	86.8	94.5	96.1
January 1988	90.8	99.0	99.9
February 1988	91.6	98.1	100.8
March 1988	94.6	103.7	104.6
April 1988	91.2	99.1	99.6
May 1988	94.8	106.6	108.3
June 1988	94.7	102.3	102.7
July 1988	93.4	100.5	103.9
August 1988	97.4	105.1	104.2
September 1988	97.3	102.8	105.4
October 1988	94.1	103.0	103.7
November 1988	93.0	102.0	101.0
December 1988	91.9	97.0	99.5
January 1989	97.9	108.4	106.8
February 1989	95.4	104.6	109.6
March 1989	94.3	98.6	100.0
April 1989	91.5	99.1	99.8
May 1989	90.7	100.6	100.3
June 1989	90.6	95.2	95.4
July 1989	92.0	103.2	101.9
August 1989	89.6	93.5	93.1
September 1989	95.8	104.1	103.0
October 1989	93.9	100.2	103.6
November 1989	90.9	99.4	100.5
December 1989	90.5	100.0	104.1
January 1990	93.0	99.9	103.2
February 1990	89.5	93.9	91.8
March 1990	91.3	98.4	98.8
April 1990	93.9	99.8	103.3

CHART 2A - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

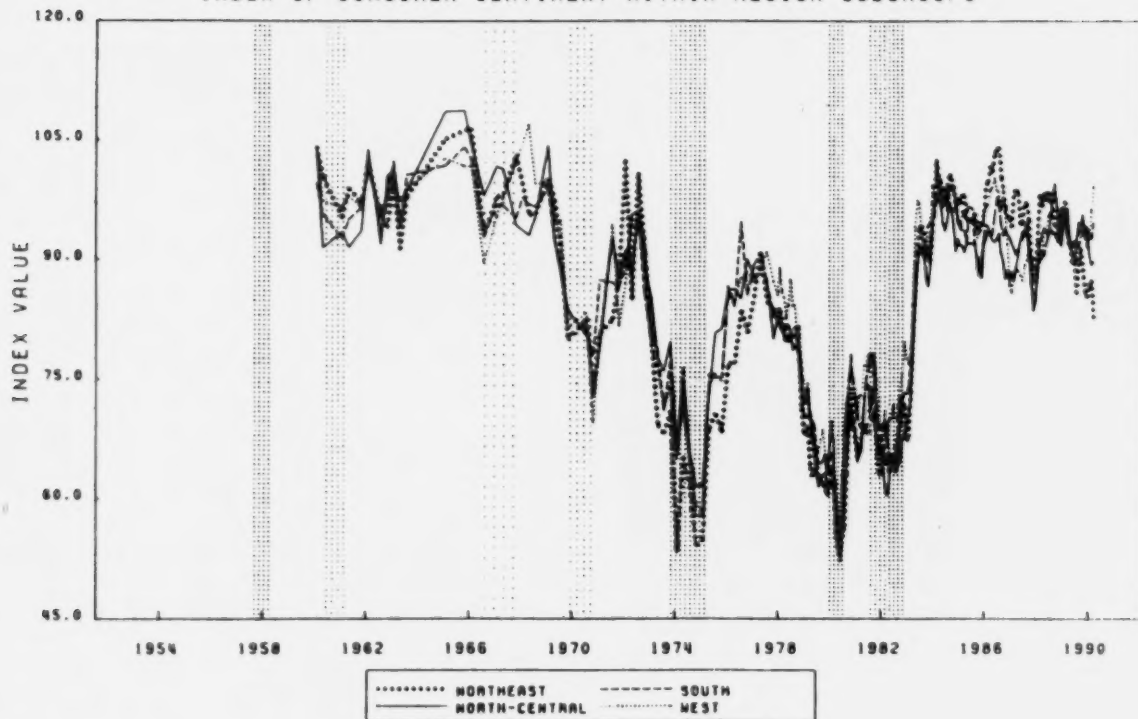


CHART 2B - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

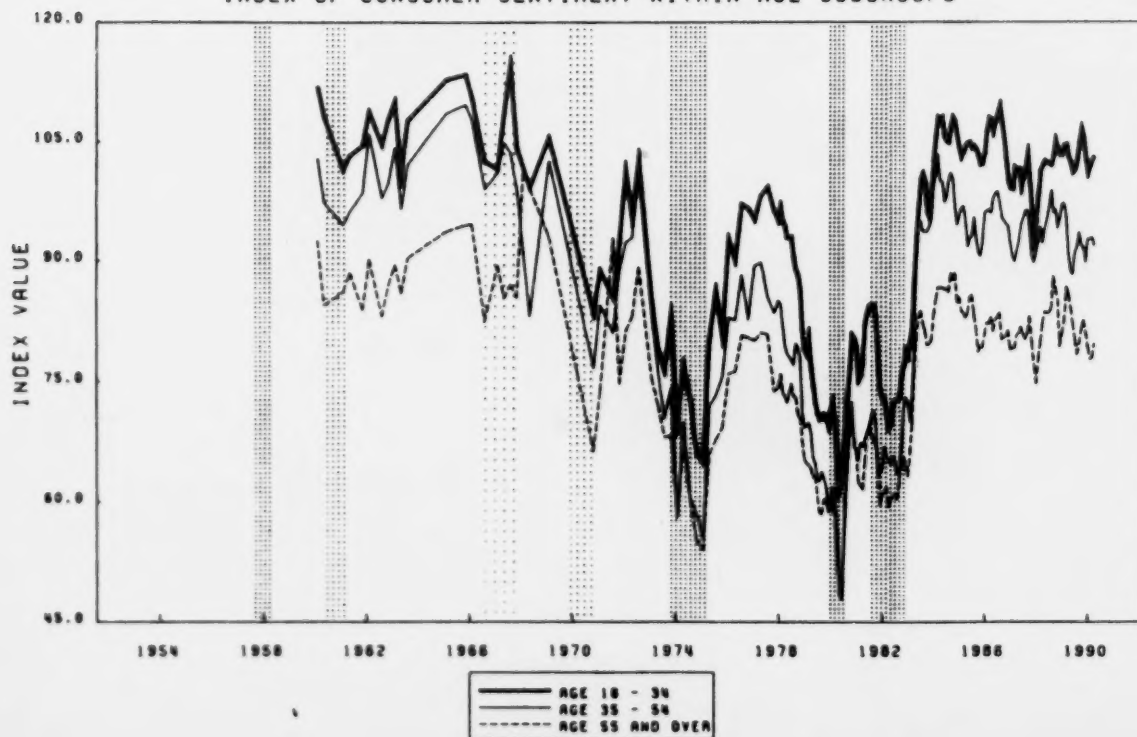


TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY		CENSUS REGION				AGE OF RESPONDENT		
		North East	North Central	South	West	18-34	35-54	55+
April	1987	99.4	91.7	93.7	87.2	99.0	95.1	83.5
May	1987	91.3	92.9	92.1	87.1	99.5	92.8	82.1
June	1987	92.5	92.2	91.5	89.7	99.0	95.5	80.0
July	1987	100.1	95.7	93.8	85.2	103.0	97.8	80.2
August	1987	99.0	91.0	95.2	93.2	103.3	95.8	80.8
September	1987	92.2	94.7	94.9	91.5	104.1	95.4	82.6
October	1987	93.8	87.2	88.3	89.1	92.0	89.9	86.2
November	1987	83.9	79.6	87.9	79.4	91.7	86.6	70.8
December	1987	83.4	83.6	90.4	89.2	94.1	92.9	73.6
January	1988	99.8	91.3	87.6	88.5	98.3	93.6	80.1
February	1988	93.7	92.1	92.8	86.3	102.5	90.3	79.9
March	1988	101.2	92.9	91.6	95.3	103.5	98.9	80.0
April	1988	94.9	93.9	88.6	89.0	100.0	87.5	86.6
May	1988	99.1	95.5	91.1	97.3	104.2	95.4	84.7
June	1988	98.1	91.2	95.9	95.2	103.1	102.0	79.5
July	1988	98.3	92.0	91.8	94.0	99.6	93.0	86.6
August	1988	95.7	100.9	94.4	98.5	103.6	101.7	86.3
September	1988	95.2	101.9	93.3	97.6	106.1	93.3	91.4
October	1988	91.8	96.1	92.9	96.6	105.8	94.6	82.0
November	1988	95.8	90.6	90.5	98.9	100.4	94.3	82.2
December	1988	90.8	90.2	96.1	88.0	103.7	97.1	73.9
January	1989	96.9	94.2	99.9	102.2	105.8	100.3	86.7
February	1989	103.5	99.2	88.8	93.6	104.3	94.2	86.7
March	1989	91.5	95.8	96.1	92.2	103.9	91.8	87.0
April	1989	83.9	94.6	93.4	90.3	101.0	87.5	83.8
May	1989	99.9	86.7	87.3	94.3	102.2	86.9	81.9
June	1989	84.7	91.2	94.4	89.8	100.0	90.4	81.1
July	1989	87.2	91.9	95.6	91.8	101.9	95.8	78.0
August	1989	85.2	93.6	85.0	95.7	105.7	88.9	76.1
September	1989	97.1	98.8	94.0	92.7	107.1	96.2	84.9
October	1989	92.1	89.6	99.5	92.6	107.3	90.5	83.9
November	1989	77.5	98.7	87.2	99.4	102.2	88.6	79.3
December	1989	87.1	89.2	93.5	90.7	99.3	90.3	80.4
January	1990	91.0	94.2	93.8	92.2	101.4	99.5	78.3
February	1990	82.0	88.2	91.5	95.1	104.9	88.2	74.7
March	1990	89.5	85.5	92.5	101.5	101.7	91.4	81.1
April	1990	75.9	95.6	100.1	101.1	102.8	96.0	83.6

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

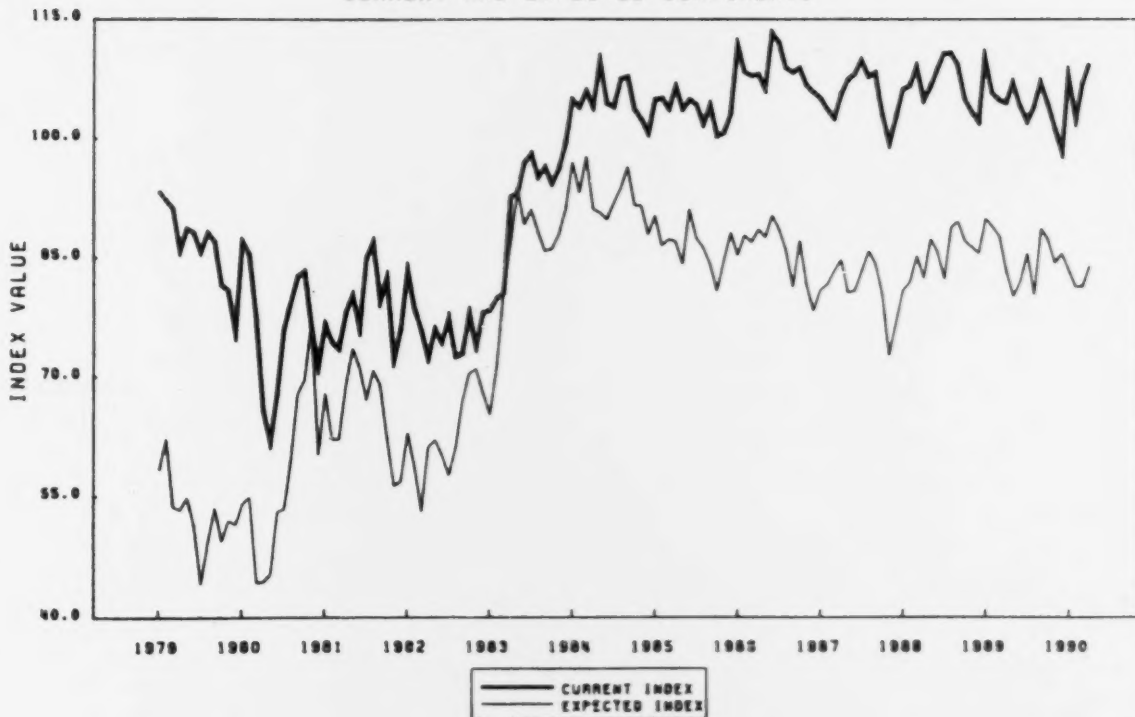


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

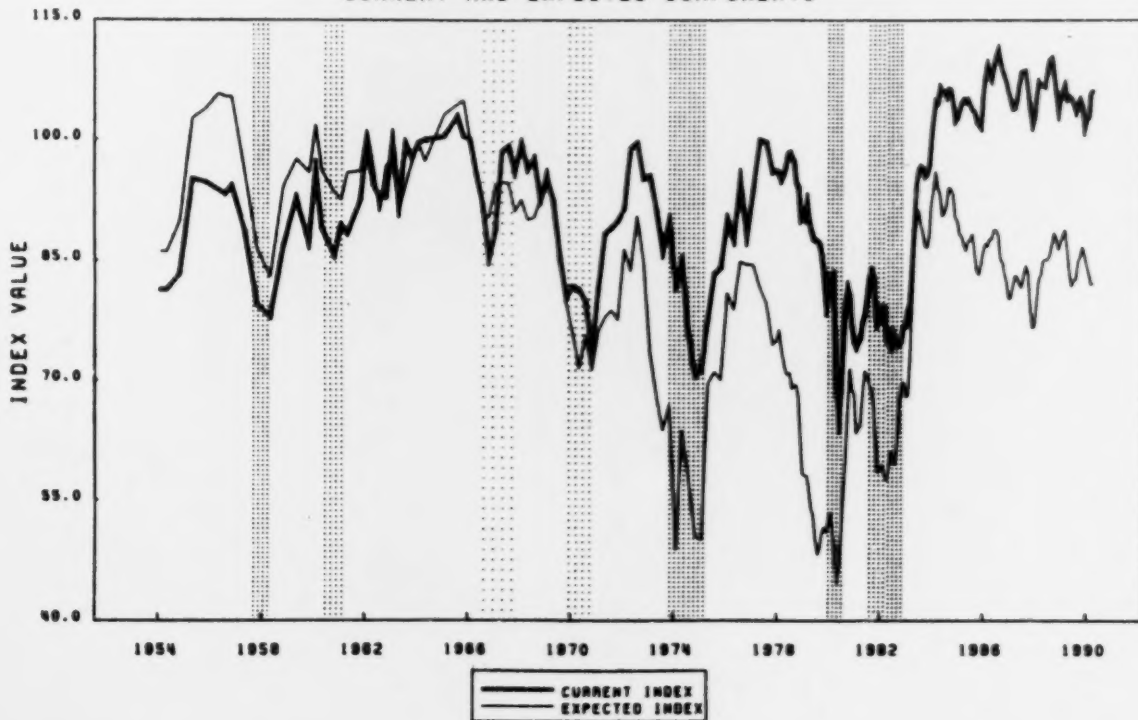


TABLE 3
COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT
INDEX COMPONENTS +

		Personal finances		Business conditions		Buying conds.	Current Index	Expected Index
		Current	Expected	12 months	5 years			
DATE OF SURVEY		(1)	(2)	(3)	(4)	(5)	(1,5)	(2,3,4)
April 1987		116	127	116	97	158	105.5	84.7
May 1987		117	121	114	89	161	107.4	80.6
June 1987		120	122	113	89	161	108.1	80.8
July 1987		123	123	118	94	162	109.9	83.3
August 1987		122	127	125	93	157	107.8	85.8
September 1987		119	124	122	92	162	108.3	84.2
October 1987		118	128	105	90	149	103.1	80.4
November 1987		115	118	93	80	142	99.3	72.7
December 1987		119	120	98	89	147	102.7	76.7
January 1988		122	131	110	84	154	106.2	80.9
February 1988		122	130	108	90	155	106.6	81.9
March 1988		127	133	114	96	156	109.1	85.2
April 1988		117	125	117	89	154	104.8	82.4
May 1988		111	127	125	98	165	106.5	87.3
June 1988		119	129	121	95	163	108.6	85.7
July 1988		120	128	106	96	167	110.7	82.3
August 1988		127	127	125	105	160	110.8	88.8
September 1988		127	133	125	102	157	109.4	89.5
October 1988		114	124	129	97	158	105.0	87.0
November 1988		112	128	122	97	156	103.3	86.3
December 1988		114	127	119	98	150	102.0	85.5
January 1989		121	131	128	103	165	110.3	89.9
February 1989		120	130	128	99	154	105.7	88.8
March 1989		116	131	123	98	156	104.8	87.6
April 1989		113	130	113	91	158	104.4	83.2
May 1989		121	125	107	89	157	107.1	80.1
June 1989		115	123	115	90	155	104.1	82.0
July 1989		112	123	124	96	152	102.1	85.5
August 1989		114	126	109	88	156	103.9	80.3
September 1989		117	129	127	101	161	107.1	88.6
October 1989		114	134	124	93	156	104.4	87.2
November 1989		116	130	116	92	146	101.2	84.3
December 1989		115	129	115	99	140	98.2	85.5
January 1990		116	124	119	92	164	108.0	83.4
February 1990		108	126	111	90	157	102.3	81.3
March 1990		117	125	108	93	160	106.9	81.3
April 1990		122	136	110	92	162	109.4	83.9

(1) See Table 4.

(2) See Table 6.

(3) See Table 15.

(4) See Table 16.

(5) See Table 21.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO



CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

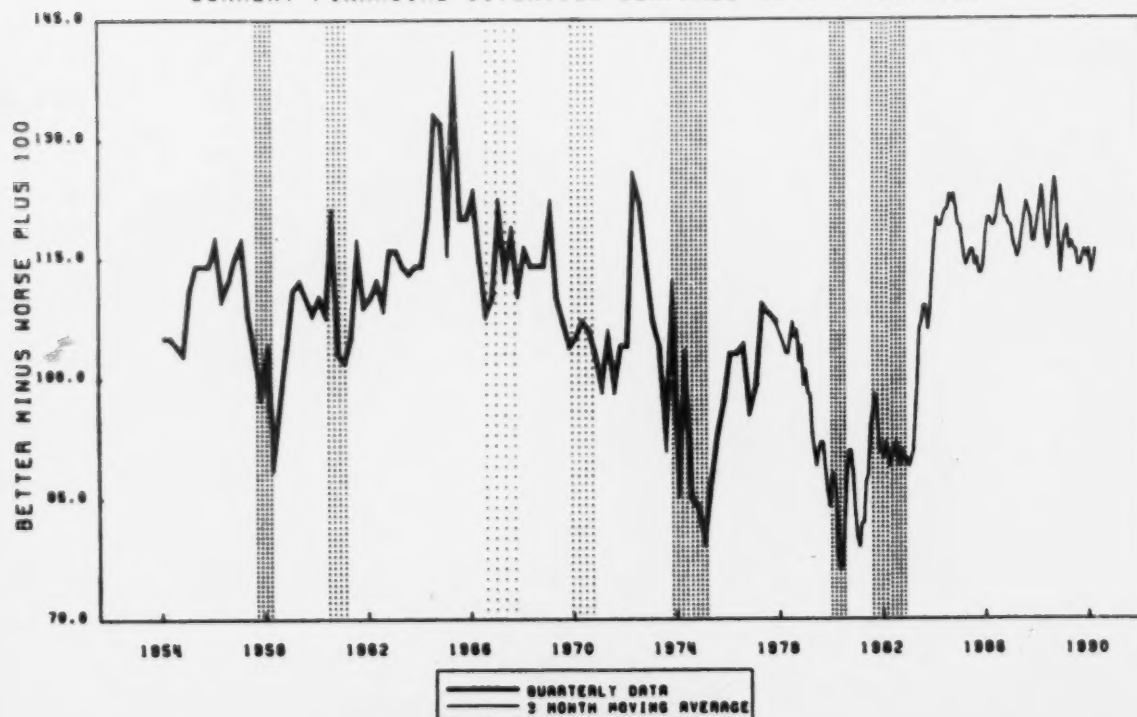


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990
BETTER OFF	42%	45%	38%	41%	41%	42%	42%	42%	41%	43%	38%	43%	46%
SAME	29	31	38	30	32	32	30	32	32	30	32	30	29
WORSE OFF	29	24	23	29	27	25	28	26	26	27	30	26	24
DK,NA	*	*	1	*	*	1	*	*	1	*	*	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	503	507	501	502	506	500	502	500	500	511	503	504

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION



CHART 5B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

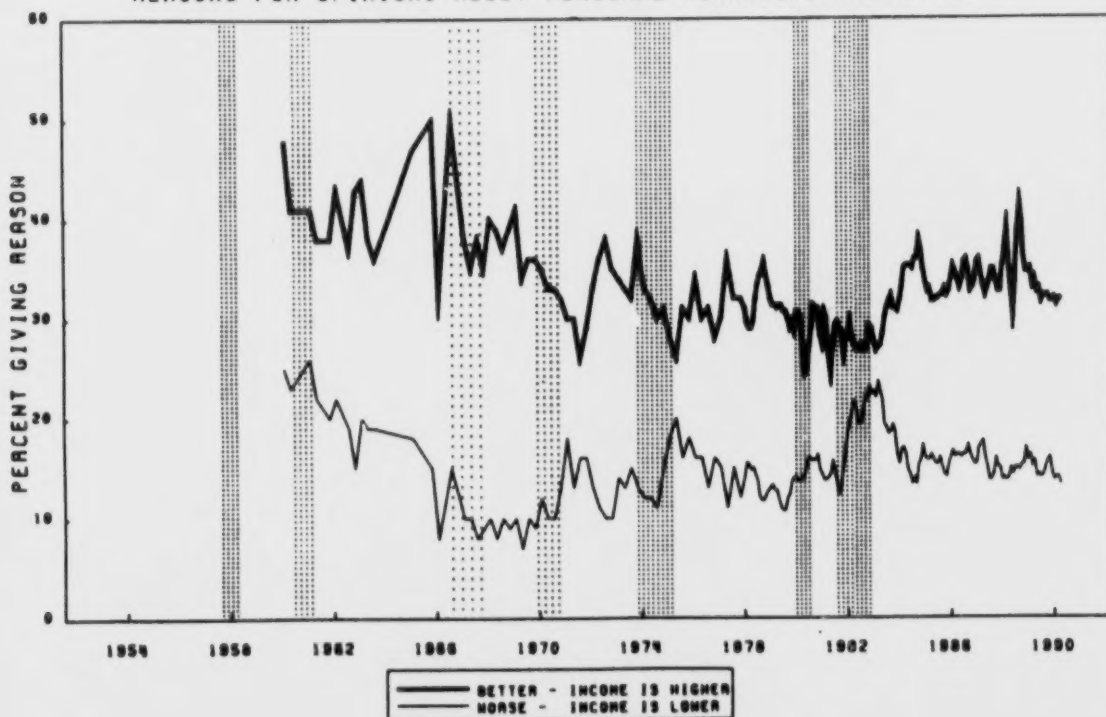


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990
BETTER OFF THAN YEAR AGO:													
Income is higher	36%	32%	31%	32%	34%	31%	32%	32%	31%	33%	30%	32%	34%
WORSE OFF THAN YEAR AGO:													
Income is lower	16	13	14	15	14	16	17	15	11	15	16	11	13
Higher prices	16	12	14	16	16	13	11	13	16	16	17	15	13

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

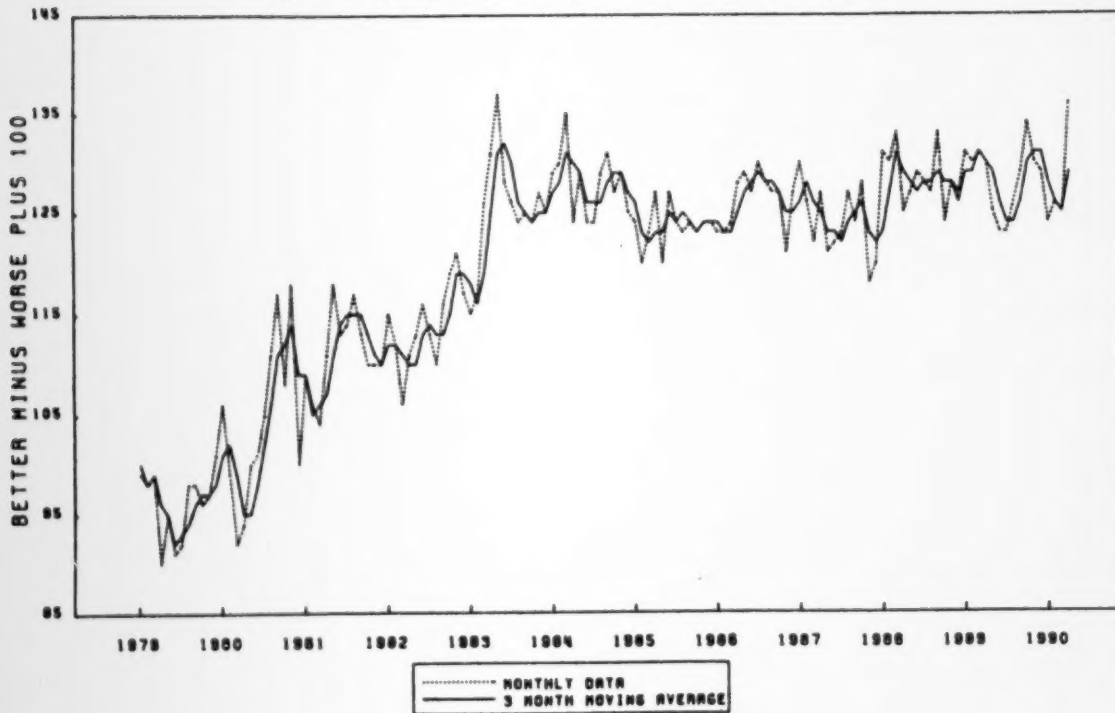


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

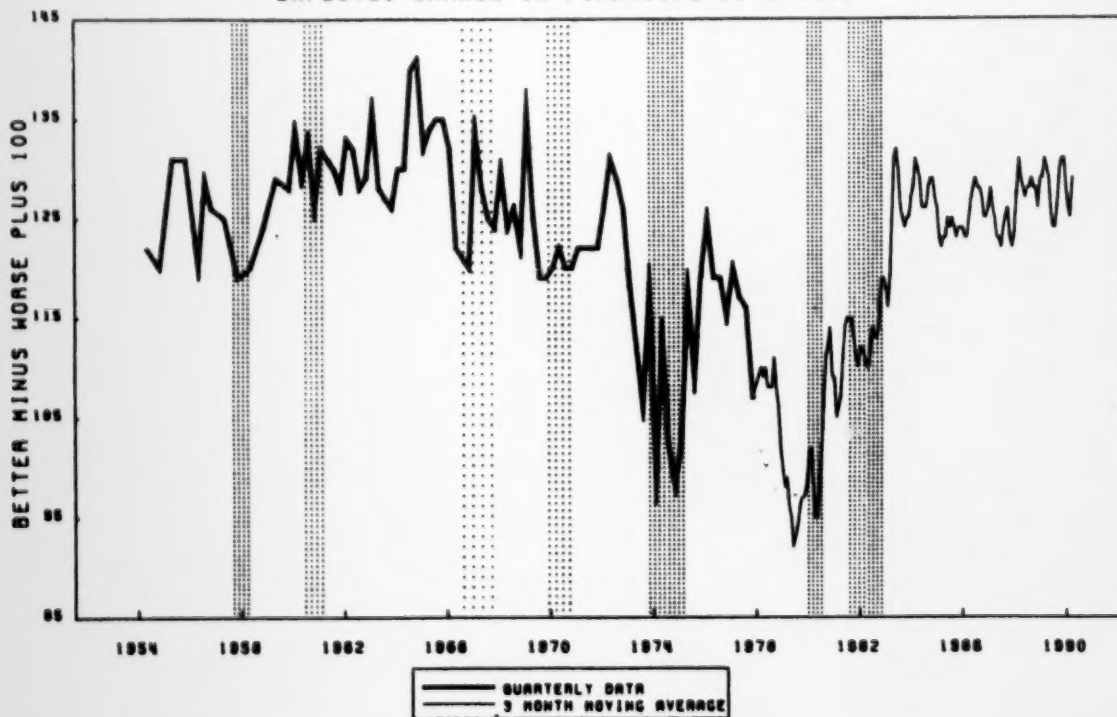


TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990
BETTER OFF	41%	39%	34%	35%	37%	38%	41%	40%	37%	35%	35%	37%	45%
SAME	46	45	52	50	49	49	47	48	50	51	53	49	44
WORSE OFF	11	14	11	12	11	9	7	10	8	11	9	12	9
DK,NA	2	2	3	3	3	4	5	2	5	3	3	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	503	507	501	502	506	500	502	500	500	511	503	504

The question was: "Now looking ahead—do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

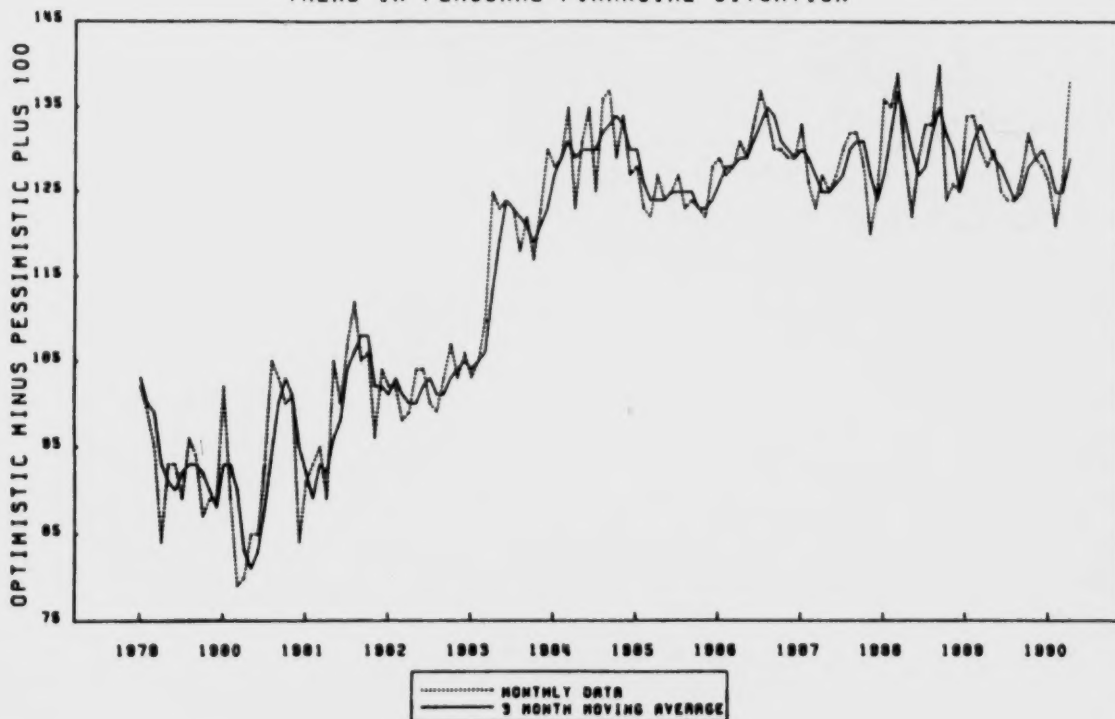


CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

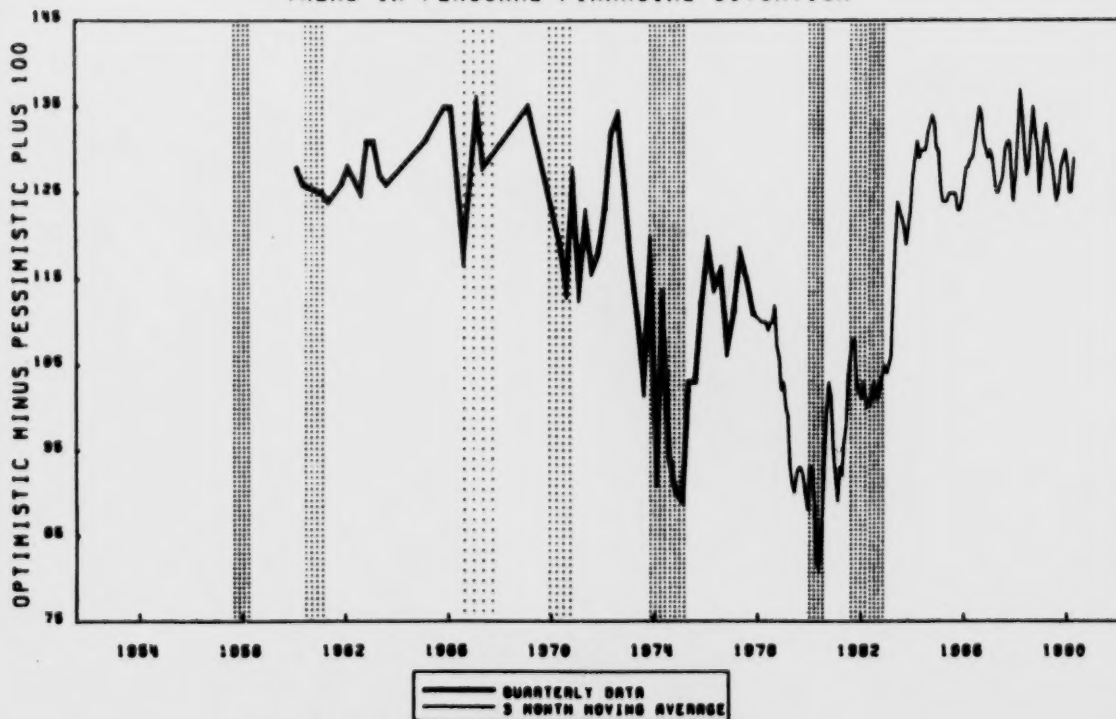


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	21%	21%	16%	19%	20%	24%	22%	21%	19%	20%	17%	20%	24%
Intermittant increase (b)	27	31	28	28	25	24	27	26	28	28	26	28	29
Remain unchanged (c)	17	14	22	18	20	19	17	20	18	17	21	17	16
Intermittant decline (d)	13	18	15	15	16	17	12	14	16	16	17	15	11
Continuous decline (e)	7	4	4	8	5	4	5	4	3	6	5	6	4
Mixed change (f)	13	9	11	9	10	8	11	13	11	9	10	10	13
DK,NA	2	3	4	3	4	4	6	2	5	4	4	4	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	503	507	501	502	506	500	502	500	500	511	503	504

Combination of the responses to the questions on Tables 4 and 6.

- Key: (a) Better off financially than a year ago/Better off a year from now
 (b) Better/Same or Same/Better
 (c) Same/Same
 (d) Worse/Same or Same/Worse
 (e) Worse/Worse
 (f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME

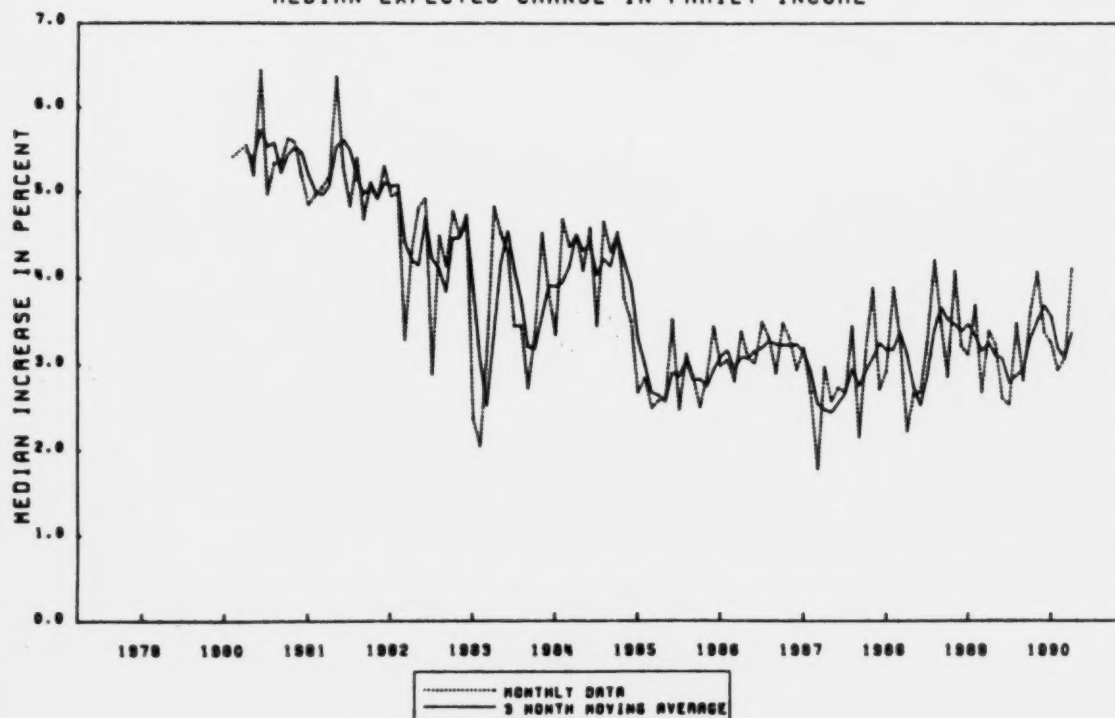


CHART 8 - HISTORICAL SERIES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME

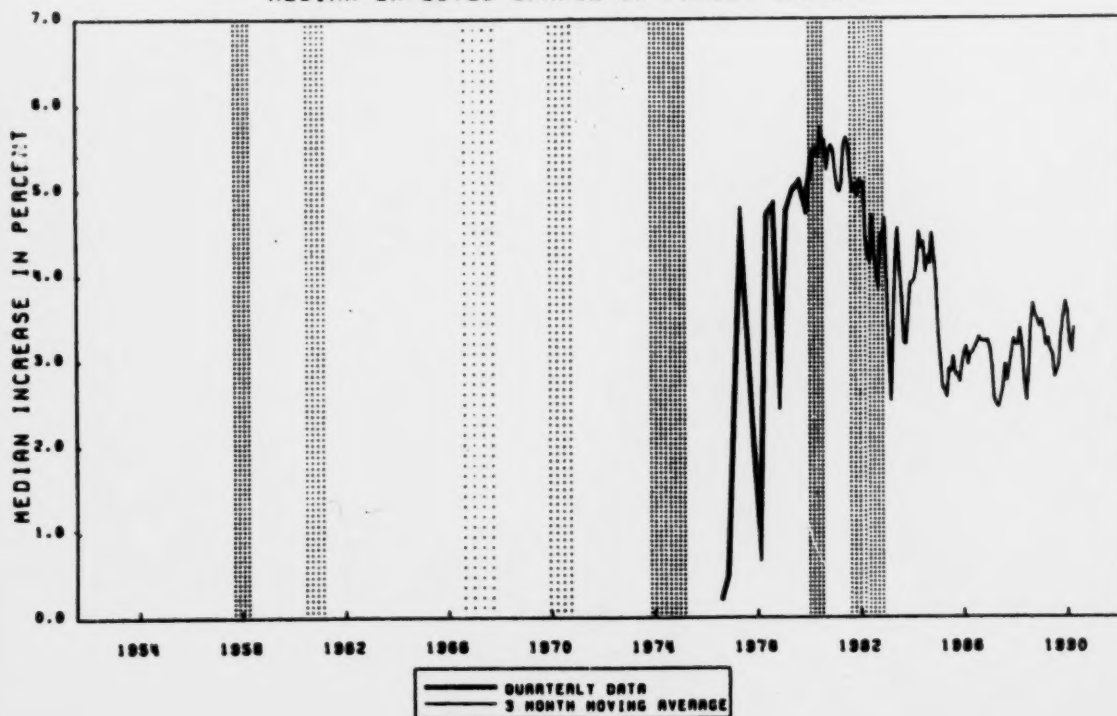


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990
EXPECT INCREASE:													
1-4%	17%	16%	18%	15%	15%	16%	15%	23%	16%	18%	17%	15%	15%
5%	12	9	11	9	13	10	12	13	12	13	12	9	13
6-9%	7	7	6	6	8	7	7	7	8	7	6	9	7
10-24%	15	17	14	16	17	15	14	16	13	14	15	16	18
25% or more	7	8	6	6	6	5	9	7	7	5	5	4	8
DK how much up	5	4	5	6	3	5	4	6	5	5	3	5	4
EXPECT SAME	23	26	27	31	26	25	25	19	26	25	30	28	27
EXPECT DOWN	12	12	12	10	12	15	12	9	12	11	11	13	7
DK,NA	2	1	1	1	*	2	2	*	1	2	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	503	507	501	502	506	500	502	500	500	511	503	504

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

* : Less than half of one percent.

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

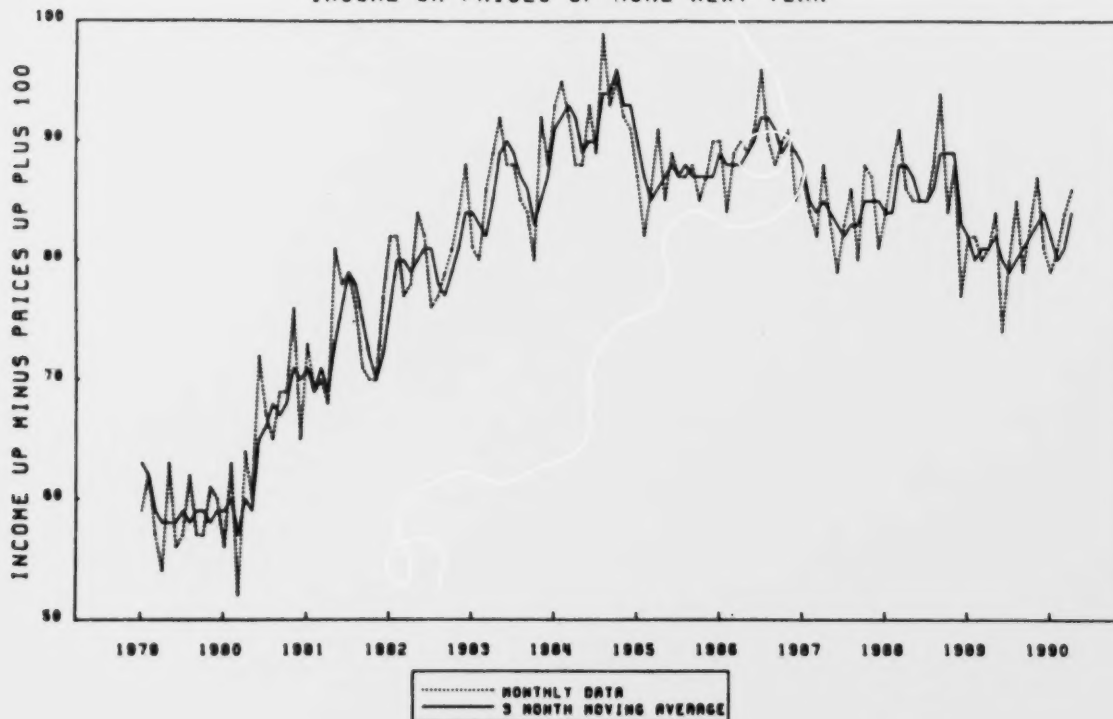


CHART 9 - HISTORICAL SERIES
INCOME OR PRICES UP MORE NEXT YEAR

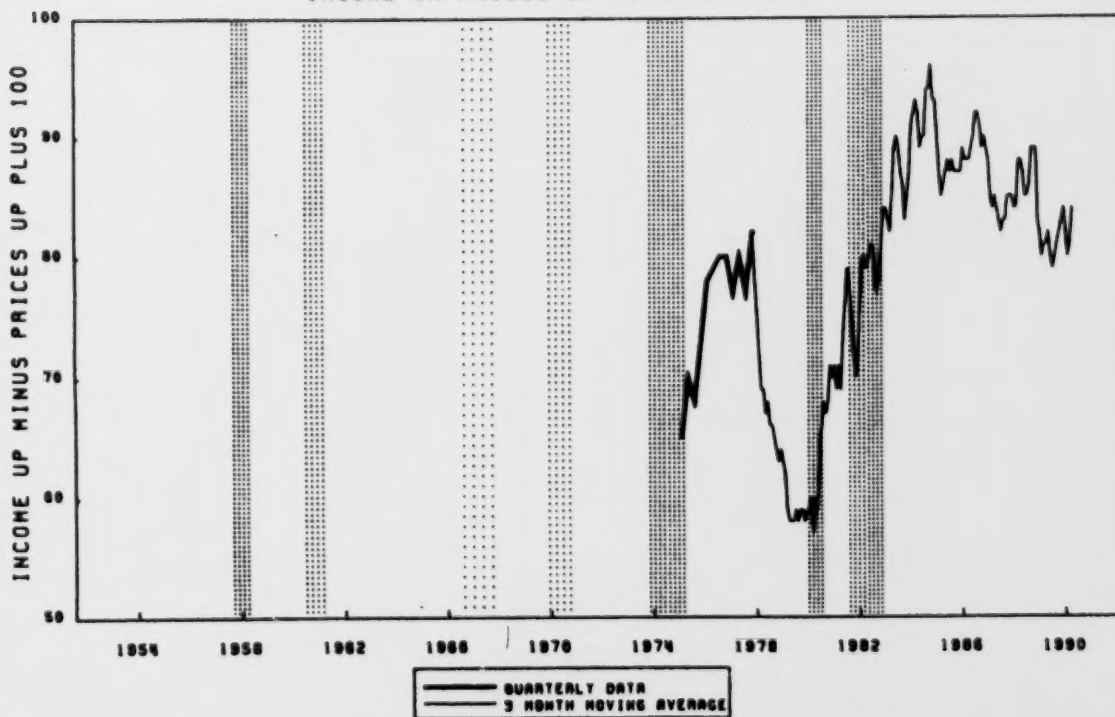


TABLE 9

EXPECTED CHANGE IN REAL FAMILY INCOME

	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990
INCOME UP MORE	18%	22%	16%	19%	21%	19%	20%	22%	21%	17%	17%	20%	21%
INCOME UP SAME	43	37	39	40	39	39	41	42	36	42	44	42	42
PRICES UP MORE	37	38	42	39	36	40	37	35	40	38	36	36	35
DK,NA	2	3	3	2	4	2	2	1	3	3	3	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	503	507	501	502	506	500	502	500	500	511	503	504

The question was: "How about the next year or two—do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 10 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

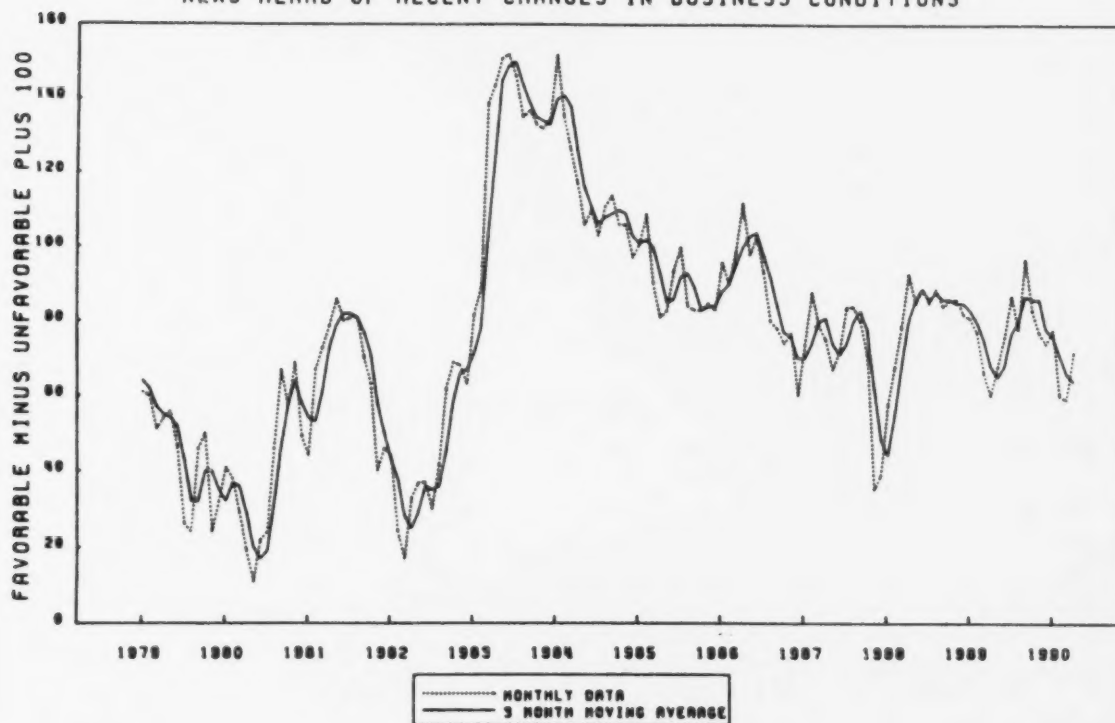


CHART 10 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

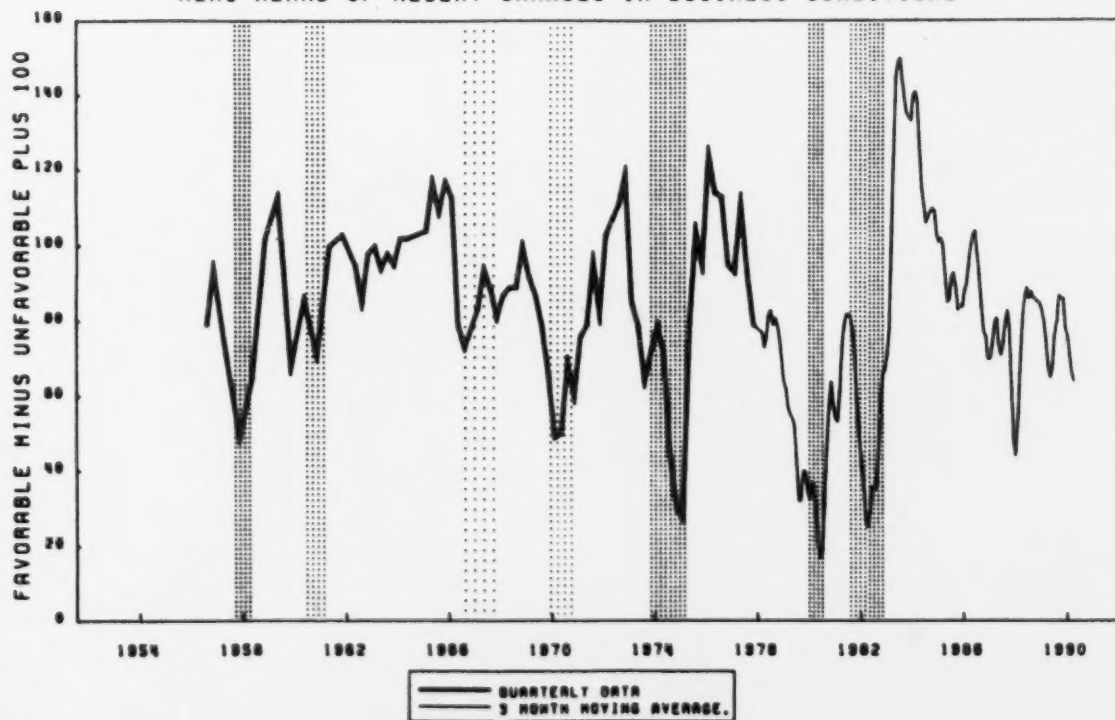


TABLE 10

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990
FAVORABLE NEWS	18%	22%	23%	28%	23%	29%	24%	22%	24%	26%	20%	21%	23%
UNFAVORABLE NEWS	58	54	47	41	45	32	41	45	50	48	60	62	51
NO MENTIONS	48	48	53	50	53	56	52	52	50	49	44	43	49

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 11A - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

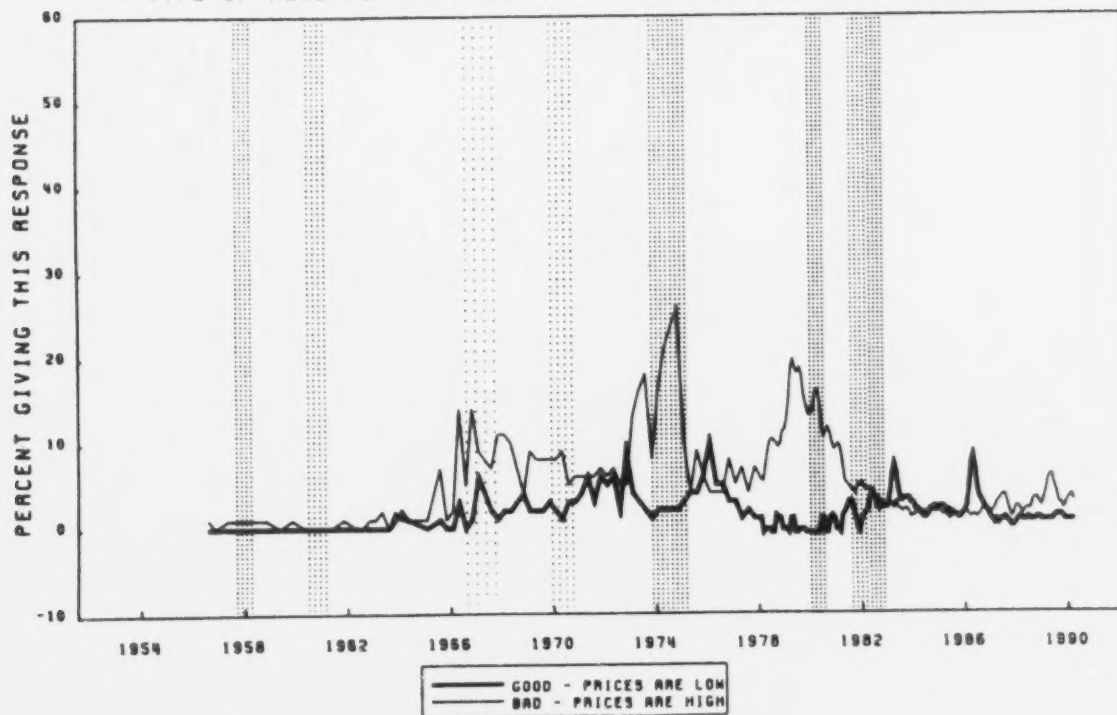


CHART 11B - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

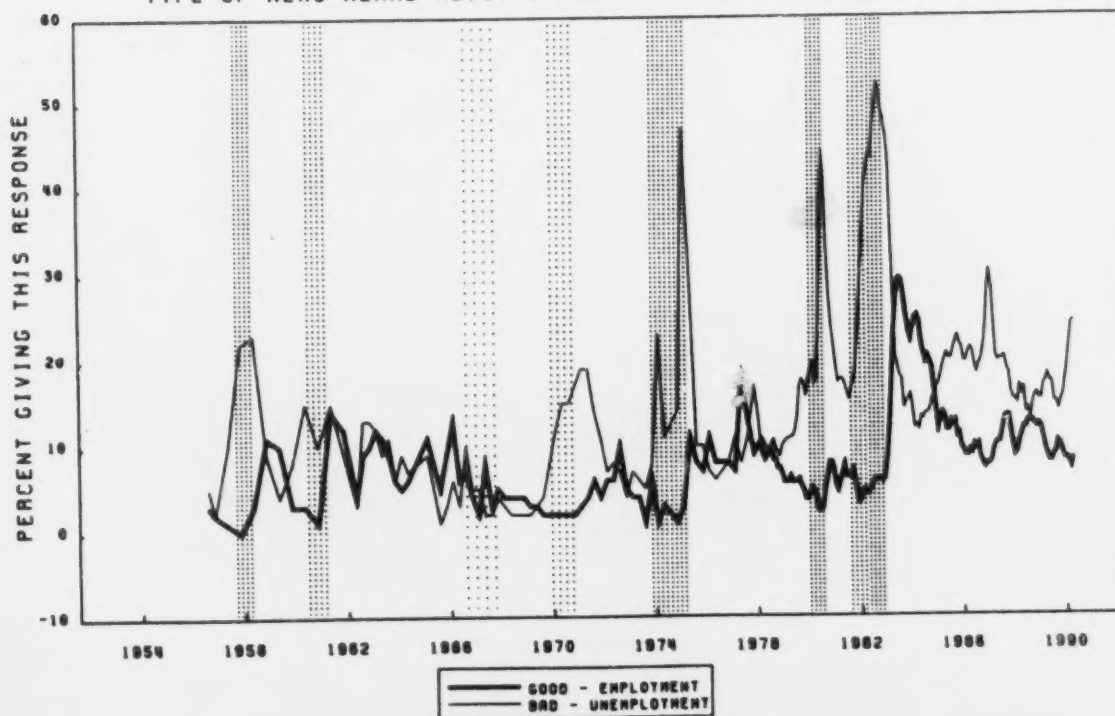


TABLE 11

SELECTED ITEMS OF
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990
FAVORABLE NEWS:													
Government; elections	1%	1%	1%	*	2%	2%	1%	1%	3%	1%	2%	3%	1%
Employment	8	8	8	10	9	12	9	7	9	9	6	7	12
Higher consumer demand	3	2	1	2	1	1	1	2	2	1	1	2	2
Lower prices	*	1	1	1	2	1	1	1	*	1	1	*	1
Easier credit	*	1	4	6	5	4	3	3	1	6	3	1	1
Stock market	1	2	2	2	1	3	2	2	2	2	1	1	1
Trade deficit	1	1	*	1	1	1	1	1	3	2	2	2	2
UNFAVORABLE NEWS:													
Government; elections	4	4	4	5	3	4	2	3	5	3	6	6	3
Unemployment	20	15	17	13	15	14	16	17	19	21	24	27	22
Lower consumer demand	2	4	3	3	3	2	2	5	6	5	6	6	6
Higher prices	6	6	6	2	4	2	2	2	3	4	3	4	2
Tighter credit	12	10	5	3	2	1	1	1	2	1	3	3	2
Stock market	2	2	1	1	1	1	7	6	2	2	6	4	3
Trade deficit	3	2	3	5	3	2	2	2	5	2	3	4	5

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 12 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

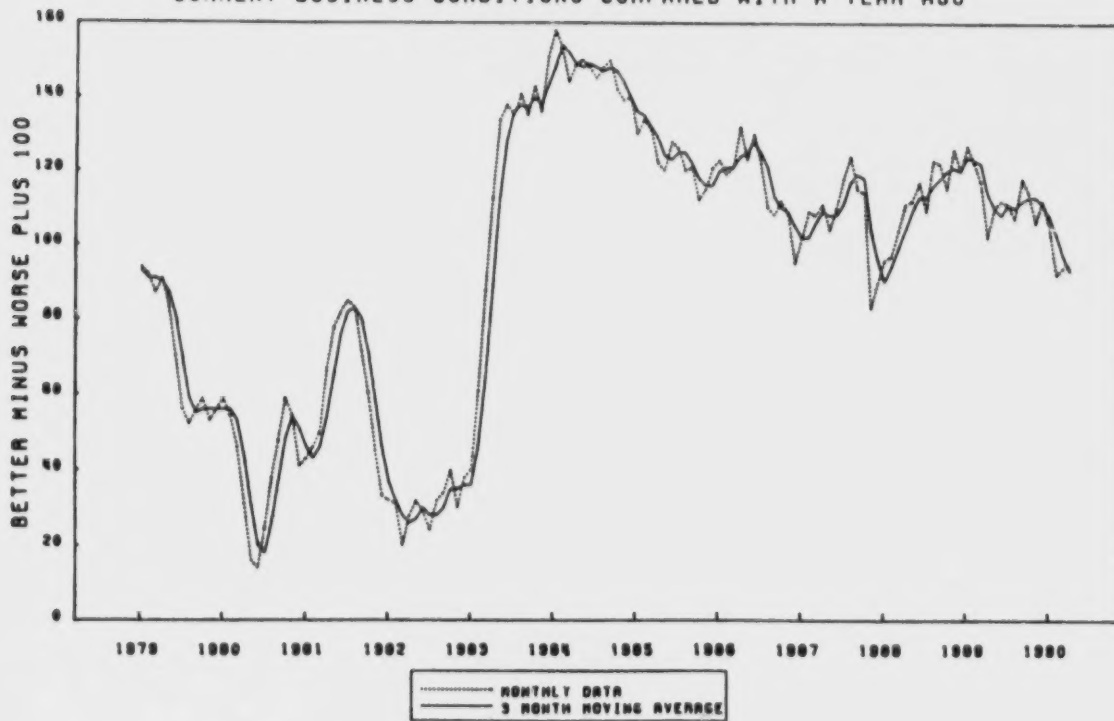


CHART 12 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

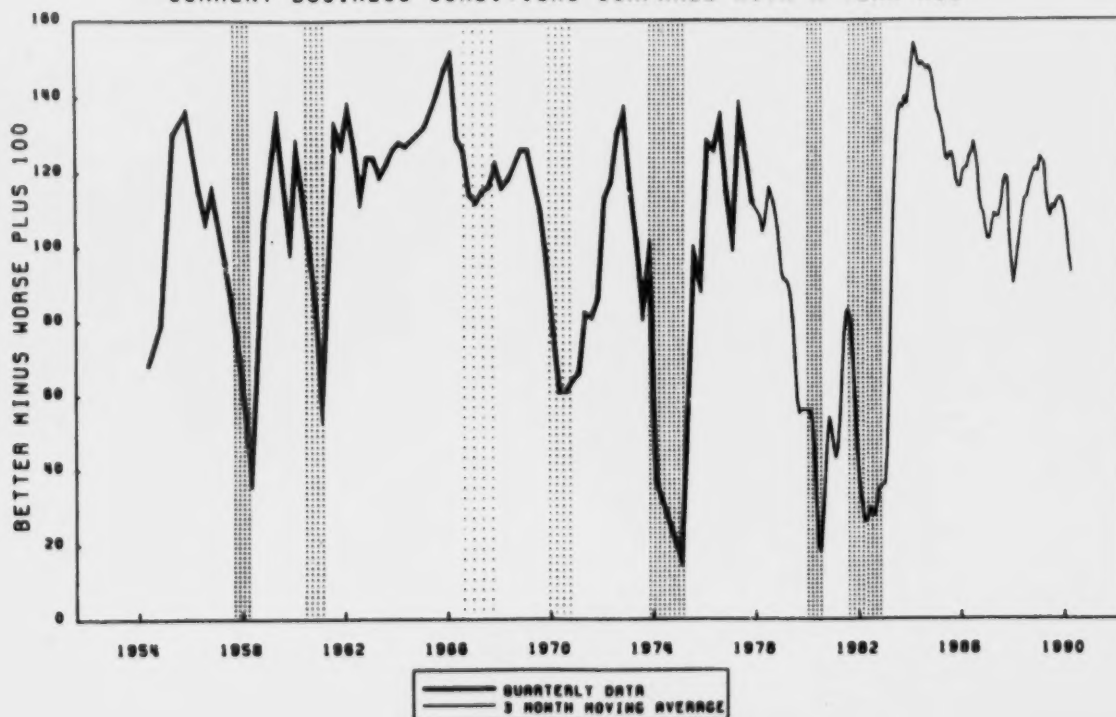


TABLE 12

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990
BETTER NOW	41%	44%	45%	43%	42%	48%	47%	42%	45%	43%	36%	36%	38%
SAME	18	19	18	22	21	19	19	19	19	16	17	20	17
WORSE NOW	39	34	33	32	35	30	33	36	33	38	44	42	44
DK,NA	2	3	4	3	2	3	1	3	3	3	3	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	503	507	501	502	506	500	502	500	500	511	503	504

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 13 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

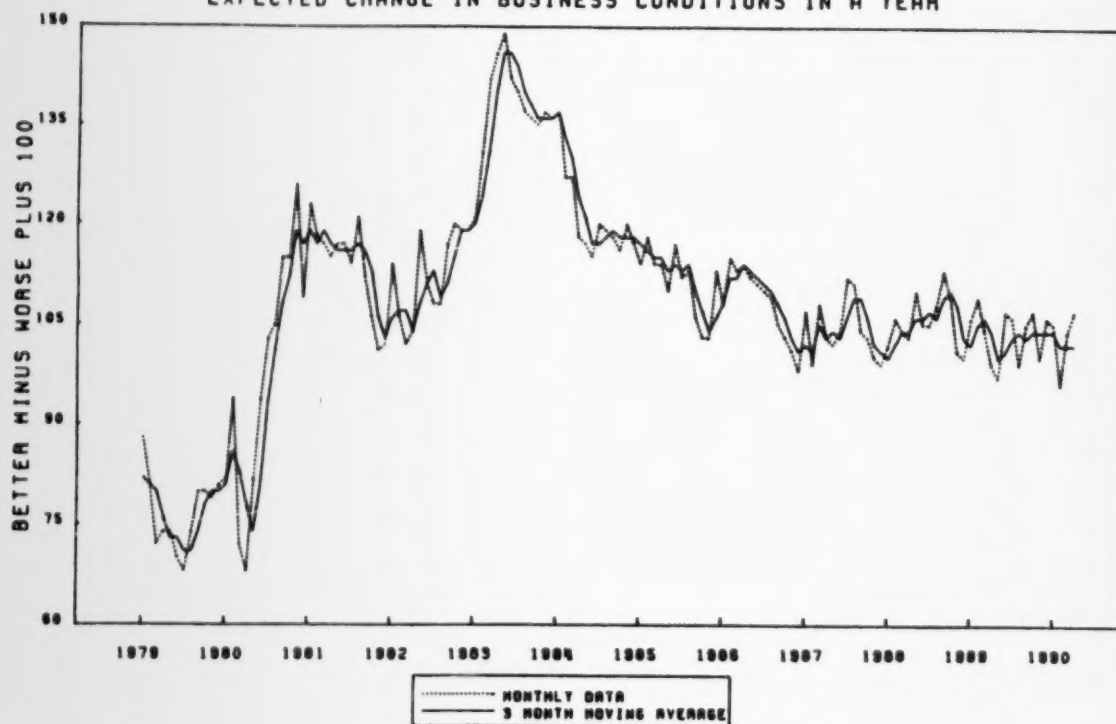


CHART 13 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

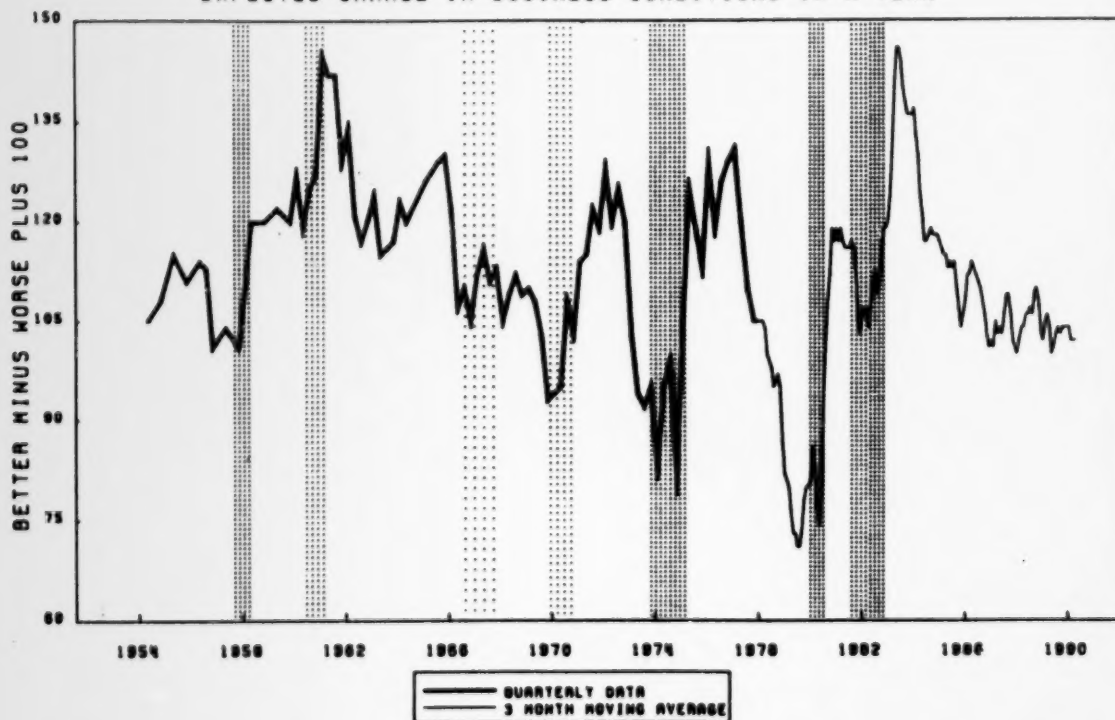


TABLE 13

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990
BETTER	20%	19%	24%	20%	18%	21%	22%	18%	24%	22%	19%	22%	24%
SAME	57	56	57	63	60	59	61	61	55	59	56	58	58
WORSE	21	22	17	14	19	16	15	18	18	17	23	18	17
DK, NA	2	3	2	3	3	4	2	3	3	2	2	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	503	507	501	502	506	500	502	500	500	511	503	504

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

CHART 14 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

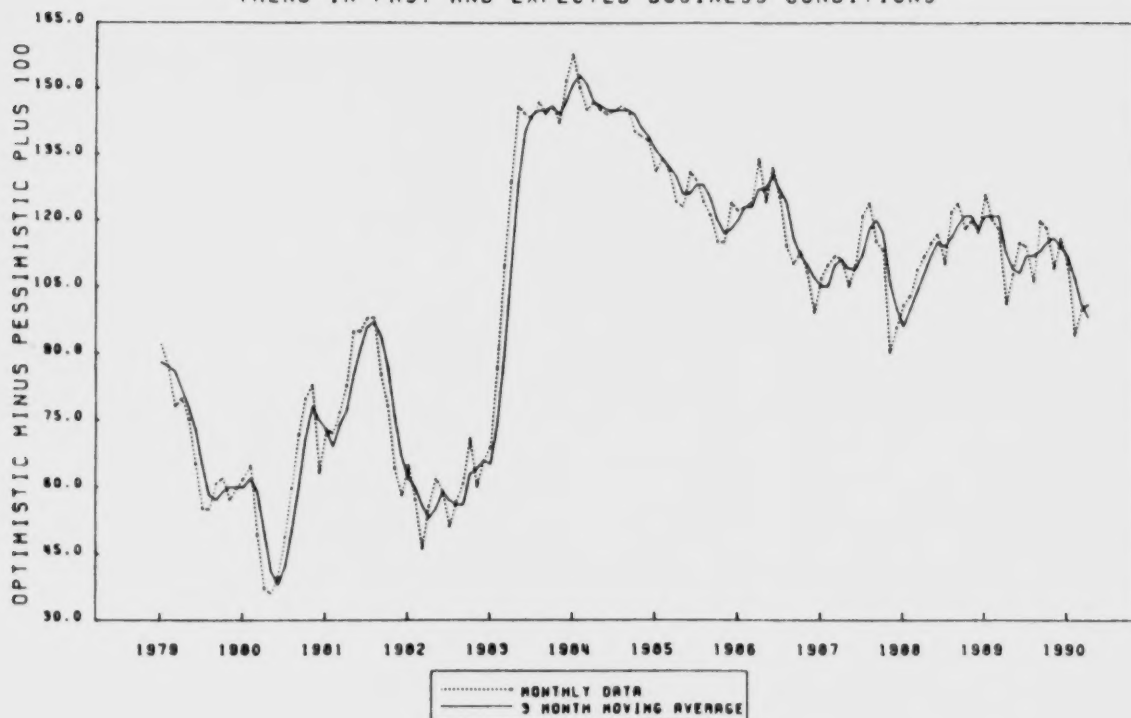


CHART 14 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

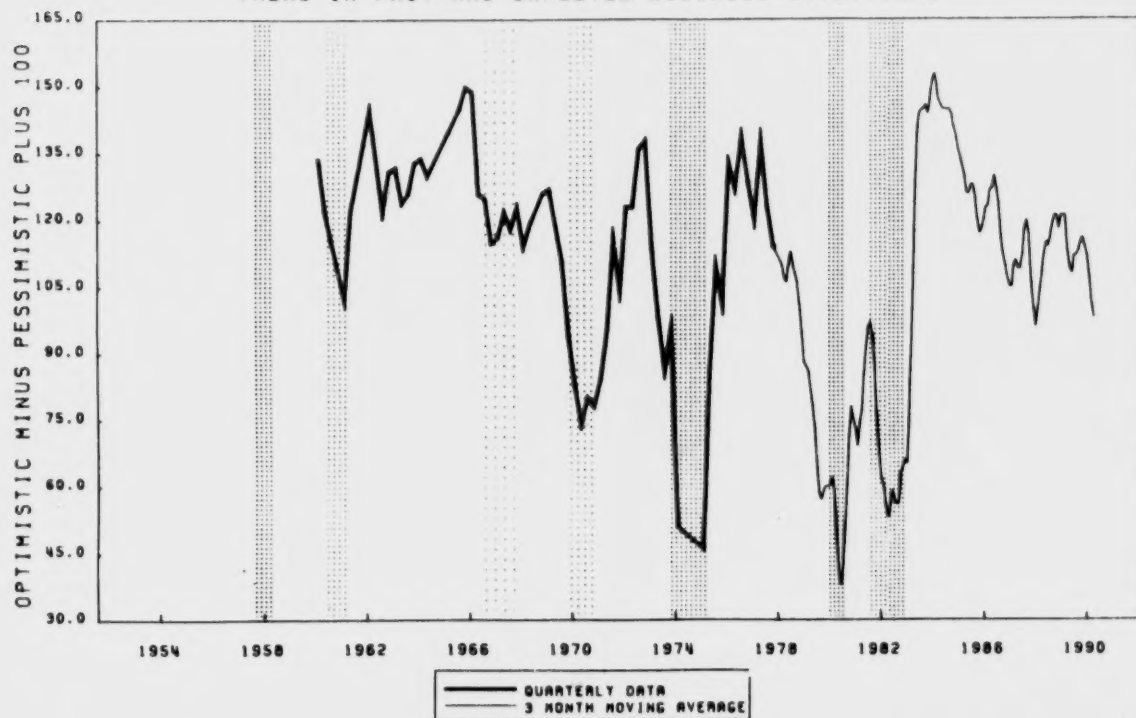


TABLE 14

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990
TREND:													
Continuous increase (a)	14%	13%	15%	14%	11%	14%	15%	10%	15%	14%	11%	10%	13%
Intermittant increase (b)	24	29	30	30	29	34	33	32	29	29	25	27	25
Remain unchanged (c)	13	12	12	16	14	12	13	13	13	12	10	12	12
Intermittant decline (d)	24	20	18	20	22	18	19	21	16	20	26	26	25
Continuous decline (e)	13	14	12	10	12	10	11	12	12	13	16	11	12
Mixed change (f)	8	7	6	4	7	6	5	6	10	8	8	10	11
DK, NA	4	5	7	6	5	6	4	6	5	4	4	4	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	503	507	501	502	506	500	502	500	500	511	503	504

Combination of the responses to the questions on Tables 12 and 13.

- Key: (a) Better than a year ago/Better a year from now
 (b) Better/Same or Same/Better
 (c) Same/Same
 (d) Worse/Same or Same/Worse
 (e) Worse/Worse
 (f) Worse/Better or Better/Worse

CHART 15 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS



CHART 15 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

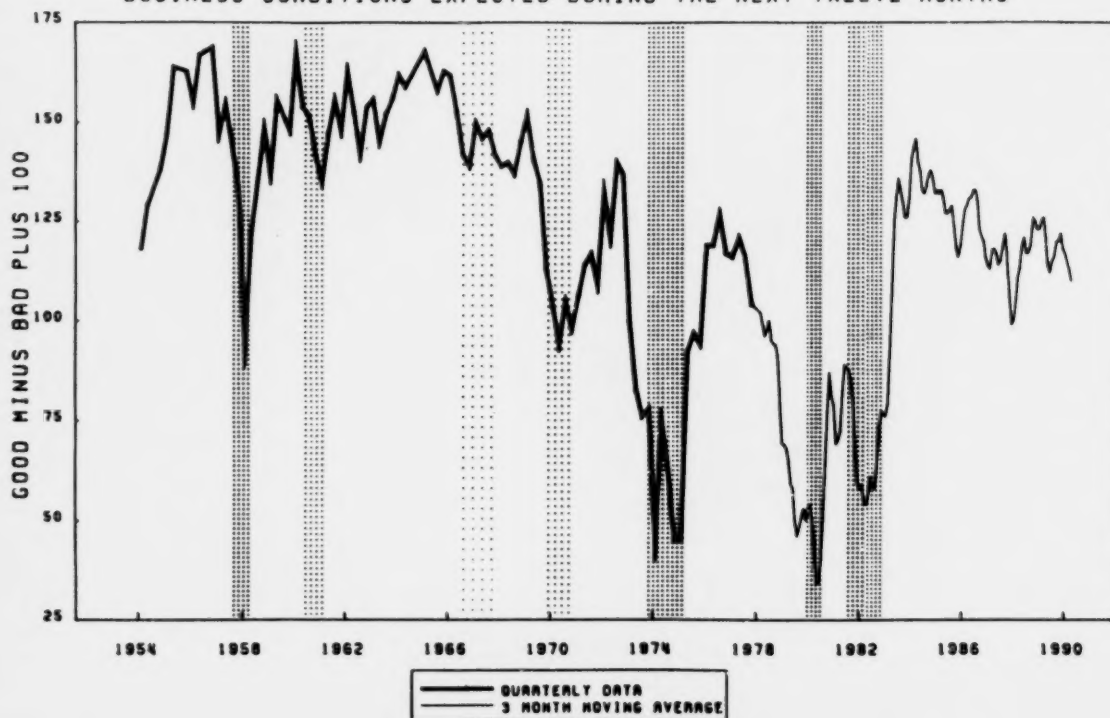


TABLE 15

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990
GOOD TIMES	49%	46%	48%	53%	46%	55%	53%	50%	49%	52%	46%	48%	49%
UNCERTAIN; GOOD & BAD	3	4	5	4	6	4	5	4	2	3	6	3	4
BAD TIMES	36	39	33	29	37	28	29	34	34	33	35	40	39
DON'T KNOW	6	6	9	7	4	6	8	7	7	6	7	5	4
NOT ASCERTAINED	6	5	5	7	7	7	5	5	8	6	6	4	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	503	507	501	502	506	500	502	500	500	511	503	504

The question was: "Now turning to business conditions in the country as a whole—do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 16 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS



CHART 16 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

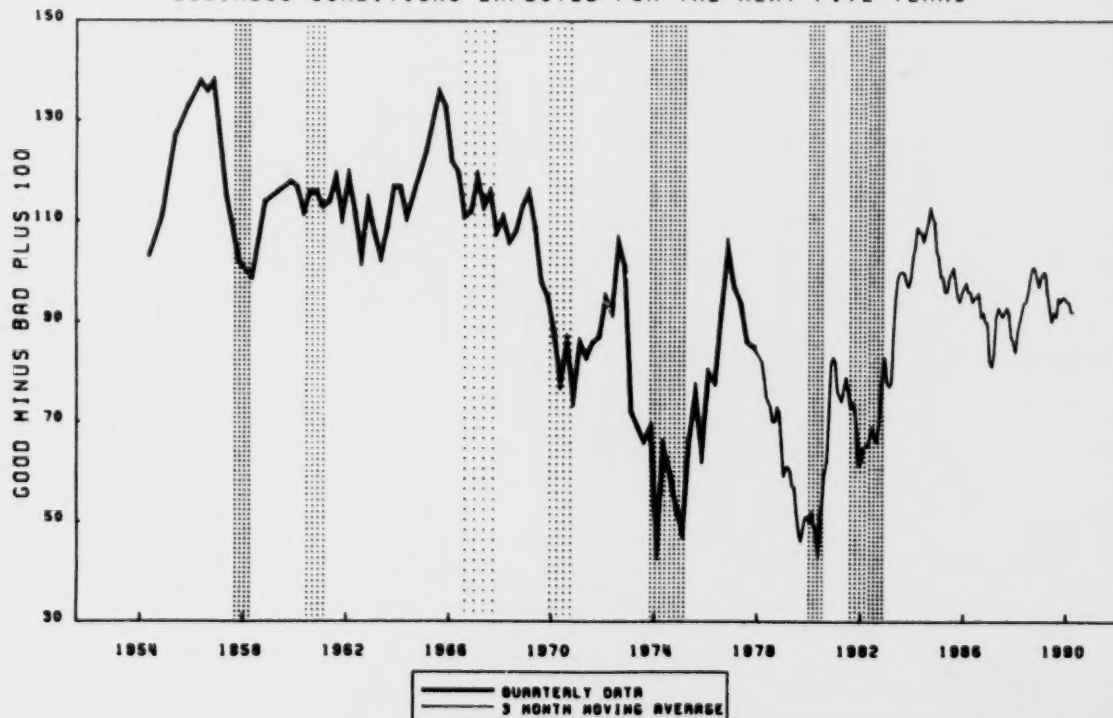


TABLE 16

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990
GOOD TIMES	37%	36%	37%	39%	33%	41%	36%	38%	39%	37%	36%	40%	39%
UNCERTAIN; GOOD & BAD	13	13	12	13	13	13	14	13	15	12	11	10	11
BAD TIMES	46	47	47	43	45	40	43	46	40	45	46	47	47
NOT ASCERTAINED	4	4	4	5	9	6	7	3	6	6	7	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	503	507	501	502	506	500	502	500	500	511	503	504

The question was: "Looking ahead, which would you say is more likely—that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 17 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT



CHART 17 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

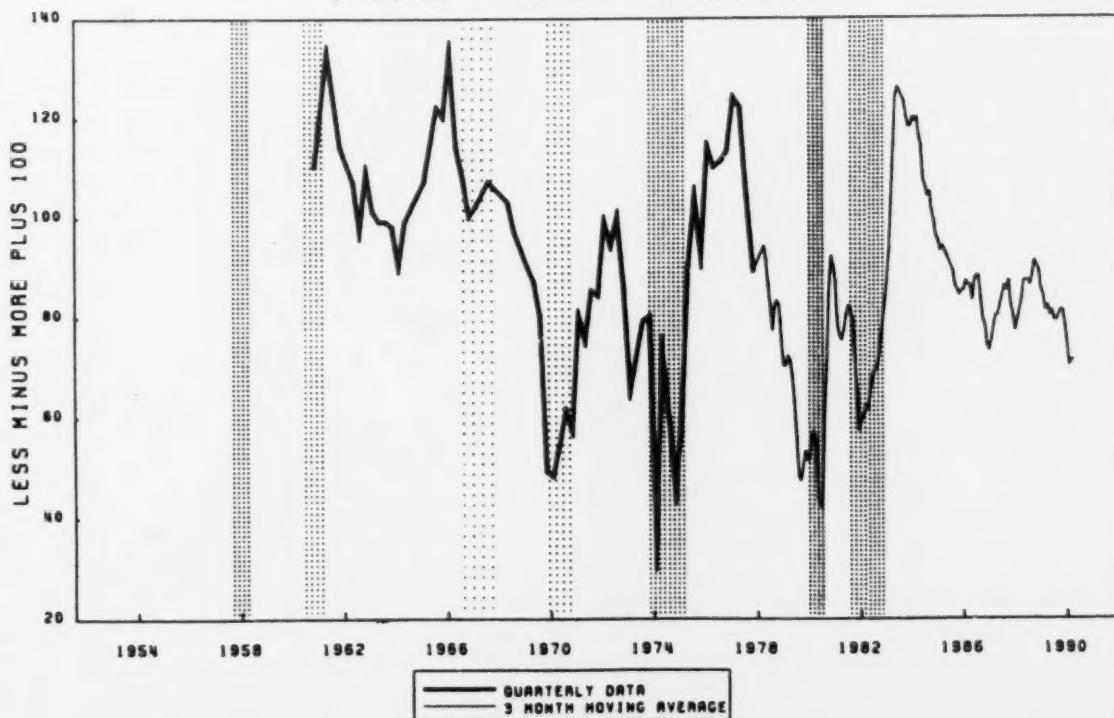


TABLE 17

EXPECTED CHANGE IN UNEMPLOYMENT

	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990
LESS	14%	12%	10%	11%	10%	11%	14%	10%	11%	10%	7%	10%	11%
SAME	55	52	59	57	54	61	55	54	51	52	48	55	52
MORE	29	35	29	31	35	26	30	35	37	36	44	34	36
DK, NA	2	1	2	1	1	2	1	1	1	2	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	503	507	501	502	506	500	502	500	500	511	503	504

The question was: "How about people out of work during the coming 12 months—do you think that there will be more unemployment than now, about the same, or less?"

CHART 18 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

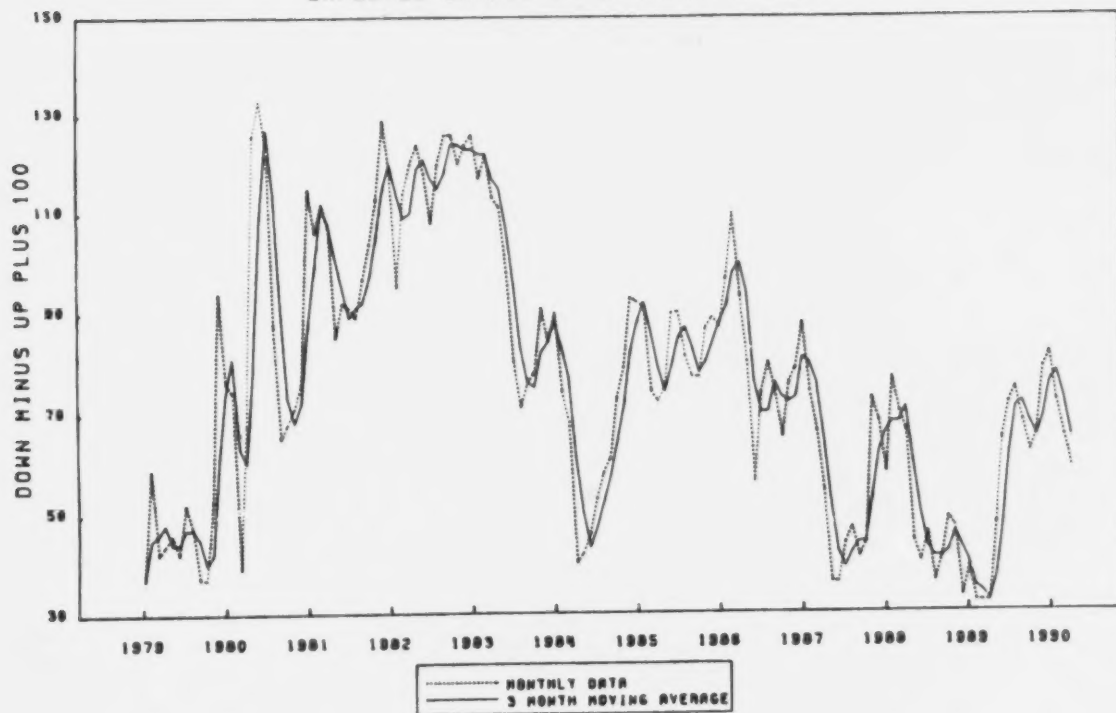


CHART 18 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

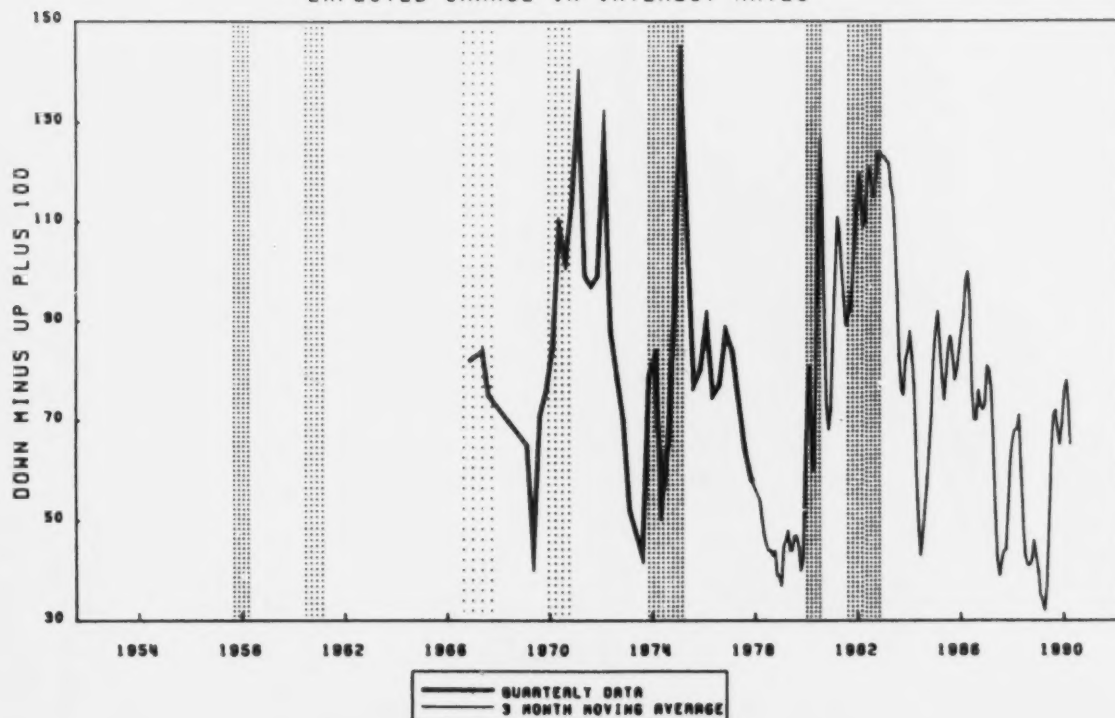


TABLE 18

EXPECTED CHANGE IN INTEREST RATES

	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990
GO UP	75%	64%	54%	51%	49%	50%	55%	52%	46%	45%	48%	51%	55%
STAY THE SAME	17	20	24	25	24	30	26	27	26	26	29	32	29
GO DOWN	7	12	19	23	24	18	17	18	25	27	20	16	14
DK,NA	1	4	3	1	3	2	2	3	3	2	3	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	503	507	501	502	506	500	502	500	500	511	503	504

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months—will they go up, stay the same, or go down?"

CHART 19 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS



CHART 19 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

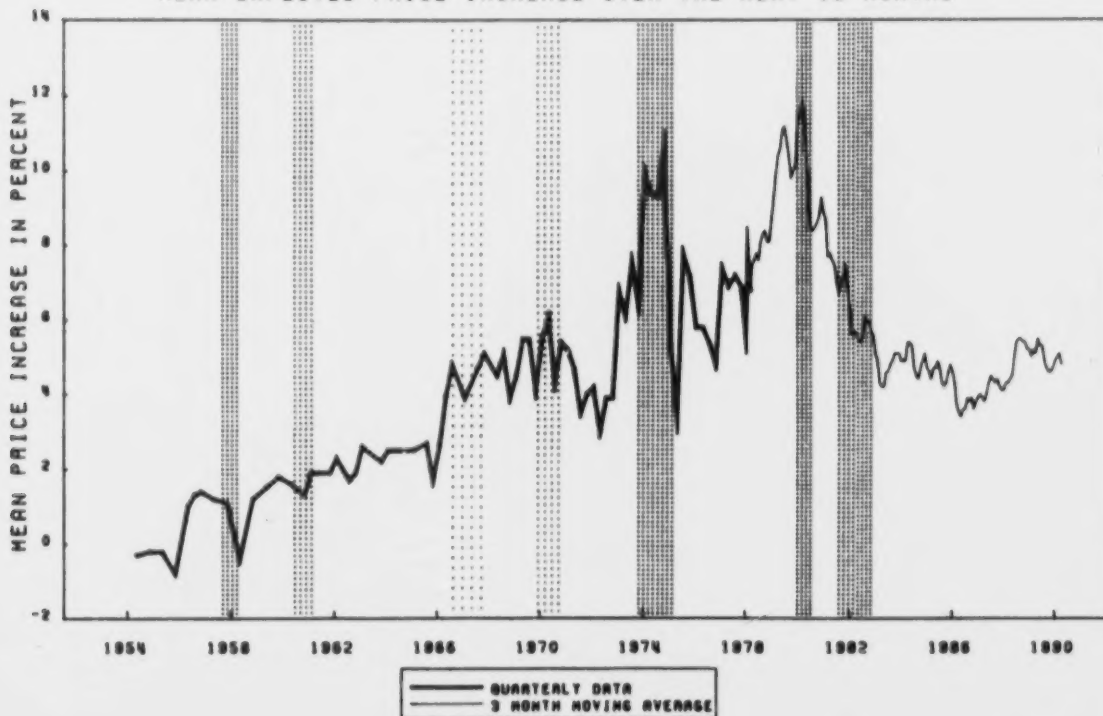


TABLE 19

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990
SAME OR DOWN	8%	10%	10%	10%	13%	13%	12%	12%	10%	11%	15%	11%	11%
WILL GO UP BY:													
1-2%	17	16	18	18	18	21	19	17	21	14	13	18	20
3-4%	23	19	24	21	23	24	23	26	21	24	23	24	24
5%	21	23	19	22	21	21	19	19	23	21	22	20	22
6-9%	10	9	9	9	6	6	9	7	10	8	10	8	7
10-14%	10	11	10	8	9	6	8	8	5	10	8	8	7
15% or more	5	7	5	5	3	3	3	4	5	5	4	5	4
DK how much up	6	4	5	6	6	5	5	6	5	5	5	6	5
DK, NA	*	1	*	1	1	1	2	1	*	2	*	*	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	5.0	5.8	5.0	5.1	4.7	4.4	4.7	4.7	4.6	5.4	5.1	4.9	4.5
VARIANCE	24	49	34	39	42	32	32	31	28	49	45	38	26
CASES	500	503	507	501	502	506	500	502	500	500	511	503	504

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 20 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

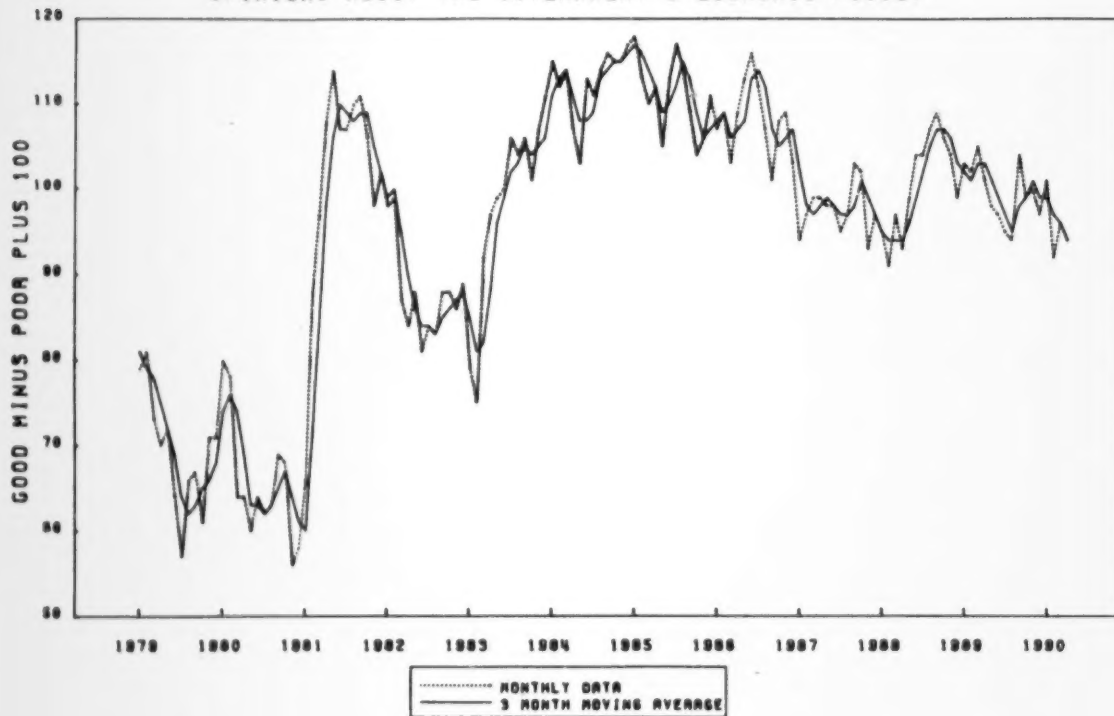


CHART 20 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

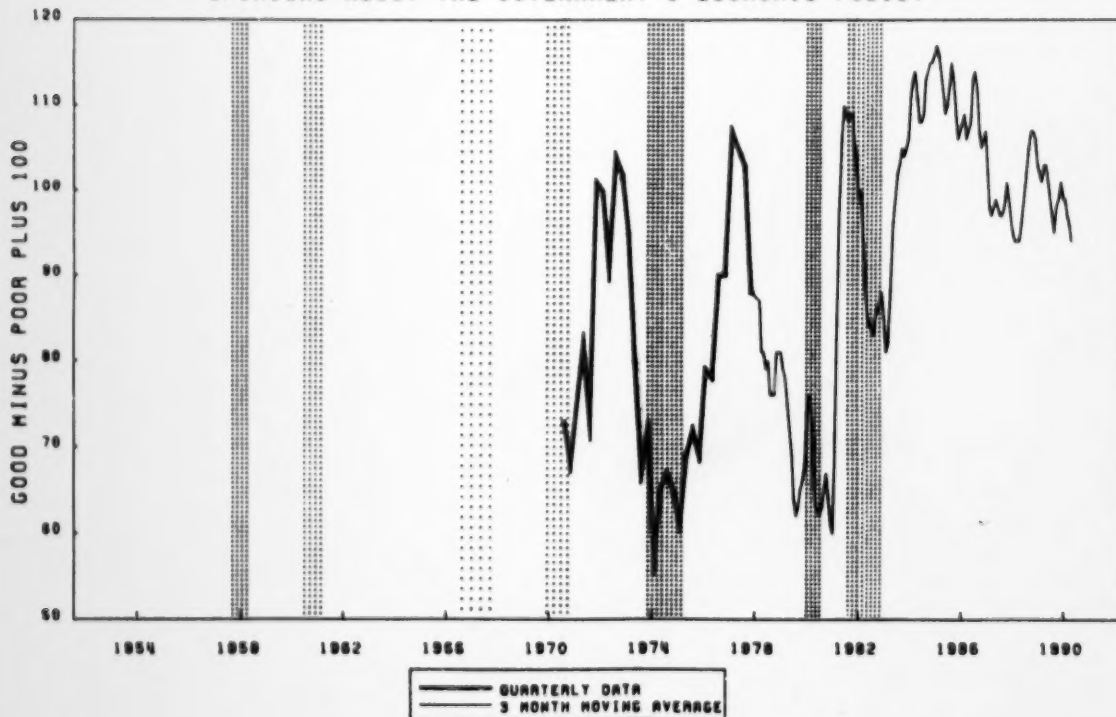


TABLE 20

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990
A GOOD JOB	19%	19%	20%	18%	18%	21%	18%	17%	20%	18%	17%	19%	17%
ONLY FAIR	59	57	55	56	56	60	61	64	55	63	57	56	59
A POOR JOB	18	21	23	23	24	17	19	17	23	17	25	23	23
DK,NA	4	3	2	3	2	2	2	2	2	2	1	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	503	507	501	502	506	500	502	500	500	511	503	504

The question was: "As to the economic policy of the government—I mean steps taken to fight inflation or unemployment—would you say the government is doing a good job, only fair, or a poor job?"

CHART 21 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

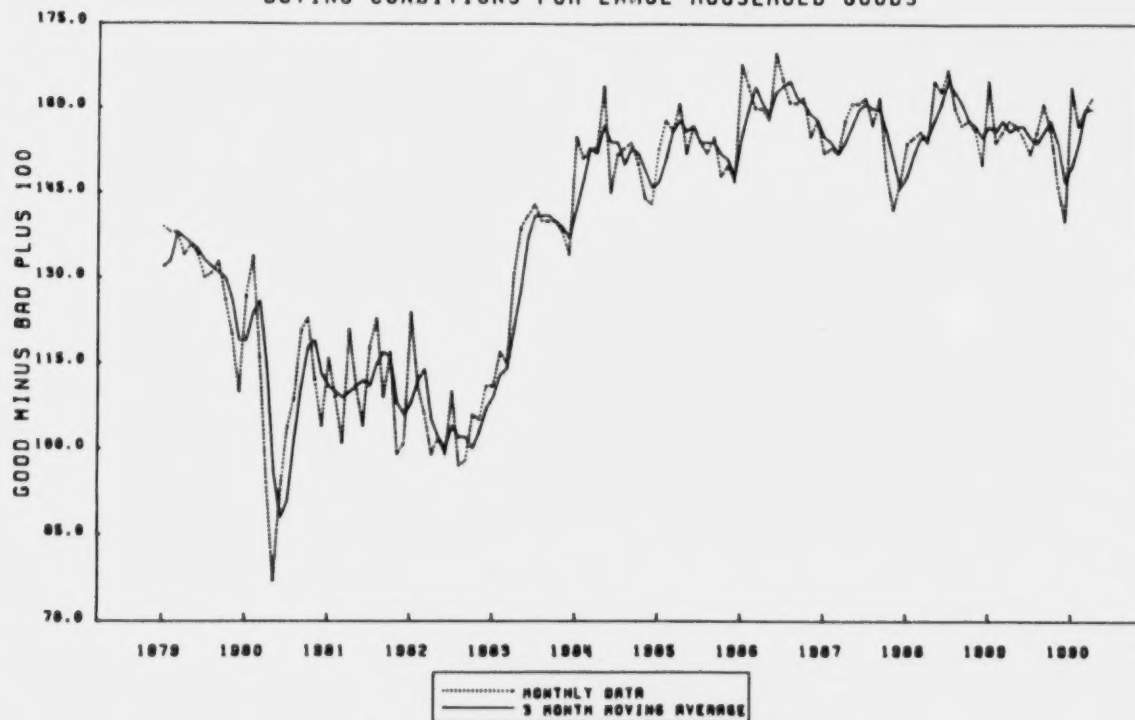


CHART 21 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

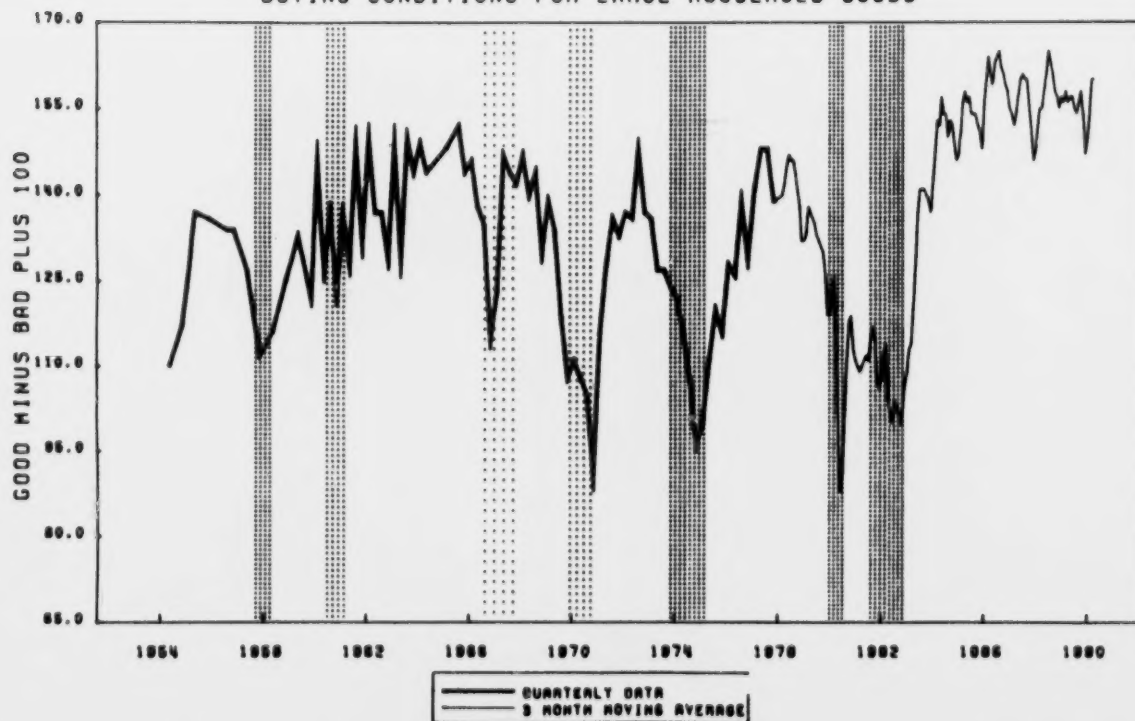


TABLE 21

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990
GOOD TIME TO BUY	75%	73%	71%	71%	73%	75%	73%	67%	65%	77%	74%	76%	78%
UNCERTAIN, DEPENDS	8	11	13	10	10	11	10	12	10	10	9	8	6
BAD TIME TO BUY	17	16	16	19	17	14	17	21	25	13	17	16	16
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	503	507	501	502	506	500	502	500	500	511	503	504

The question was: "About the big things people buy for their homes—such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 22A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

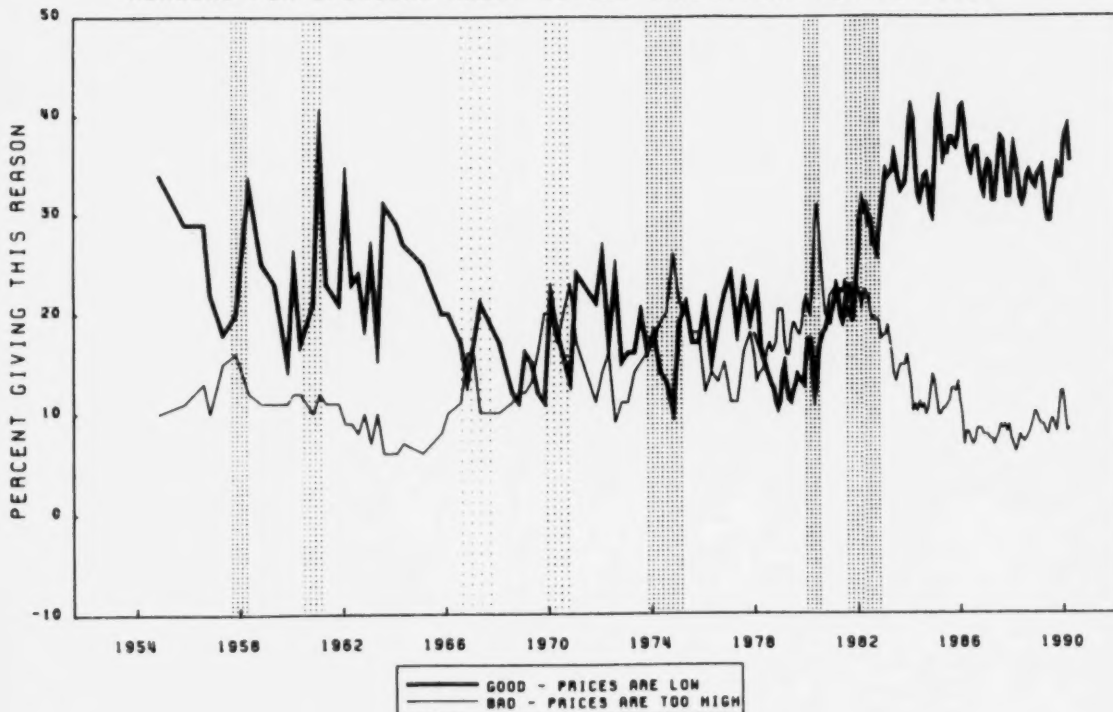


CHART 22B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

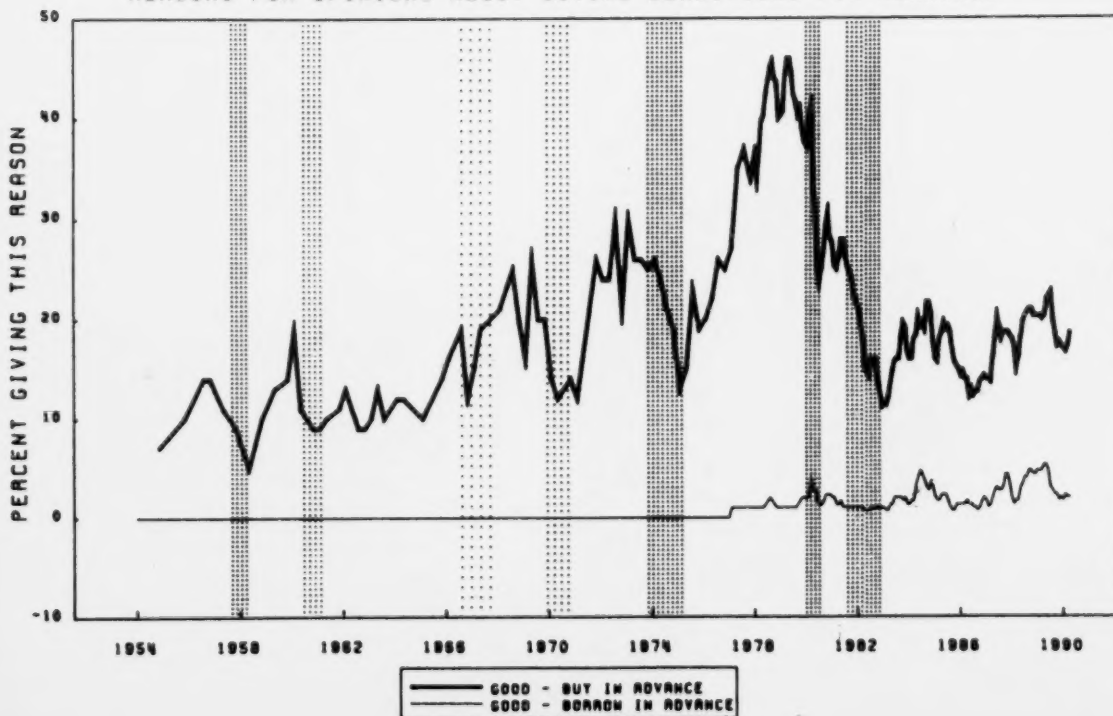


TABLE 22
SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990
GOOD TIME TO BUY:													
Prices are low; good buys available	31%	27%	30%	31%	35%	34%	35%	32%	34%	45%	35%	36%	35%
Prices won't come down; are going higher	22	24	21	23	16	17	19	17	16	18	16	18	22
Interest rates are low	4	5	5	7	7	7	5	7	5	5	5	8	5
Borrow-in-advance of rising interest rates	7	4	3	2	3	2	2	1	3	1	3	2	1
Times are good; prosperity	8	6	6	5	2	8	6	4	3	4	4	8	4
BAD TIME TO BUY:													
Prices are high	7	7	9	10	9	7	8	14	14	8	8	8	9
Interest rates are high; credit is tight	8	5	6	4	4	2	3	3	4	2	3	3	2
Times are bad; can't afford to buy	4	4	3	3	2	4	4	5	5	2	6	5	4
Bad times ahead; uncertain future	2	3	3	3	3	2	2	1	3	2	2	3	1

Responses to the query: "Why do you say so?" following the question on Table 21.
+ : May add to more than 100% due to multiple mentions.

CHART 22C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

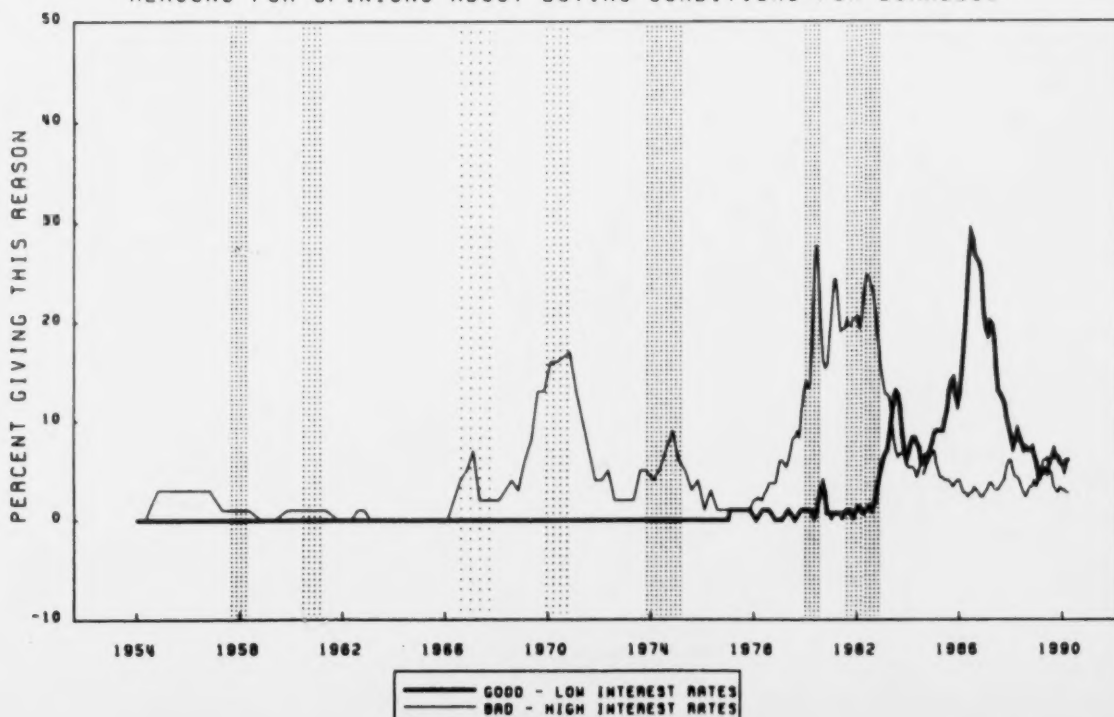


CHART 23 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

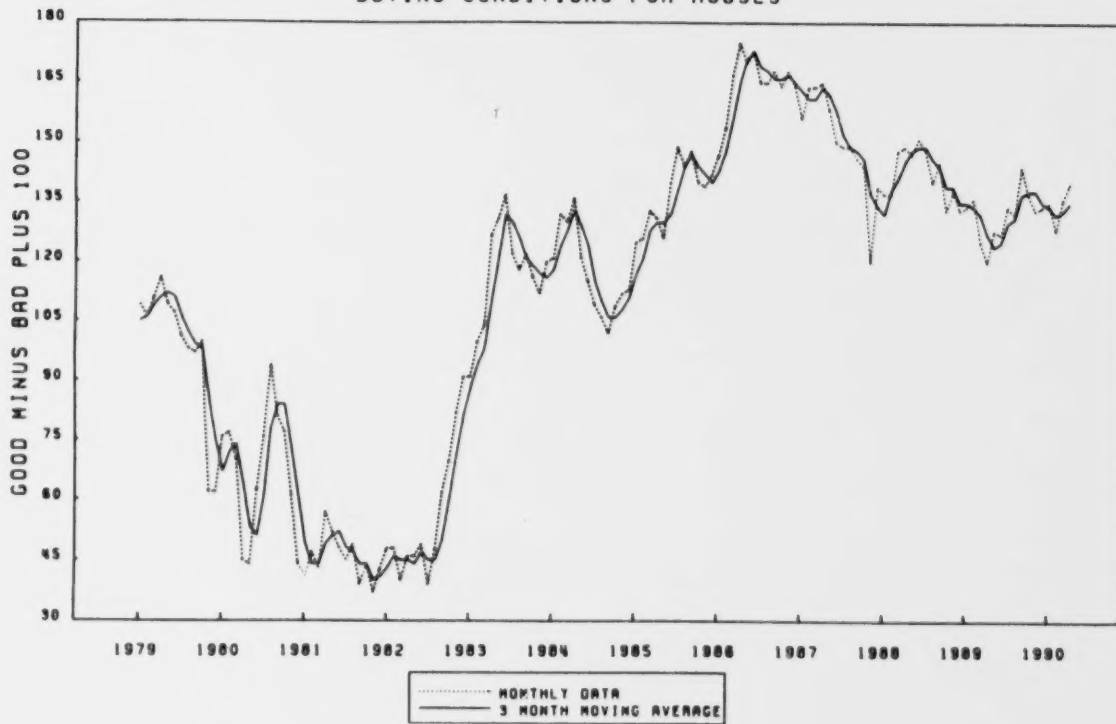


CHART 23 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

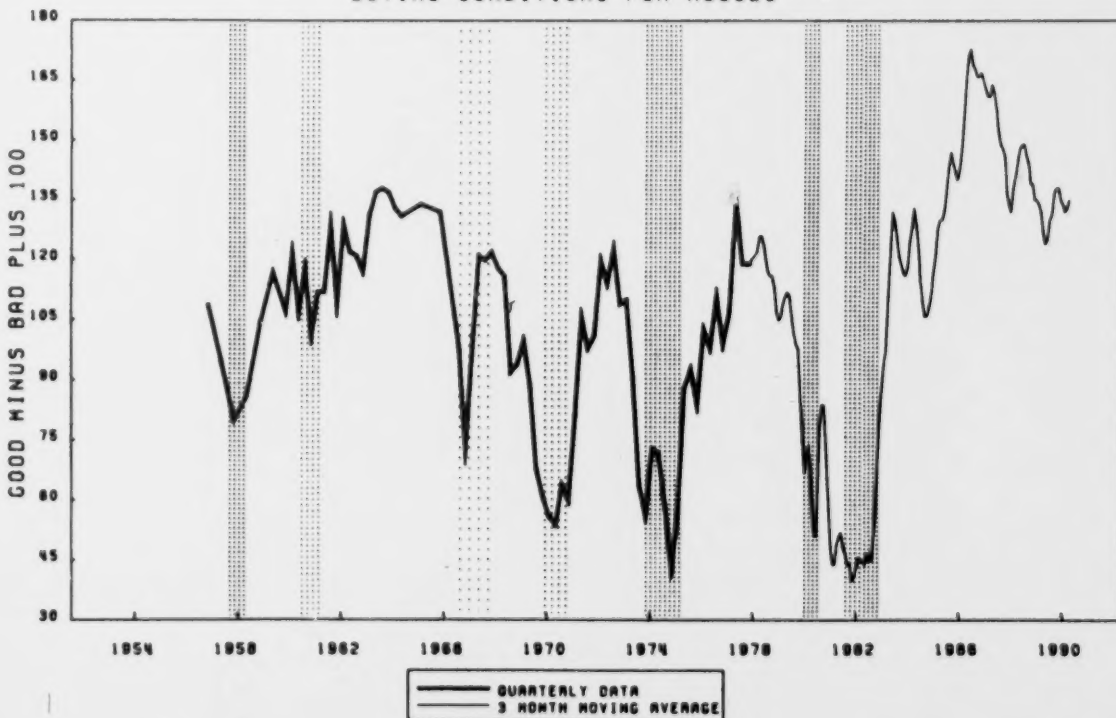


TABLE 23

BUYING CONDITIONS FOR HOUSES

	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990
GOOD TIME TO BUY	58%	61%	61%	64%	64%	70%	66%	63%	64%	64%	62%	66%	68%
UNCERTAIN, DEPENDS	4	6	5	6	4	4	5	7	6	7	4	4	4
BAD TIME TO BUY	38	33	34	30	32	26	29	30	30	29	34	30	28
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	503	507	501	502	506	500	502	500	500	511	503	504

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 24A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

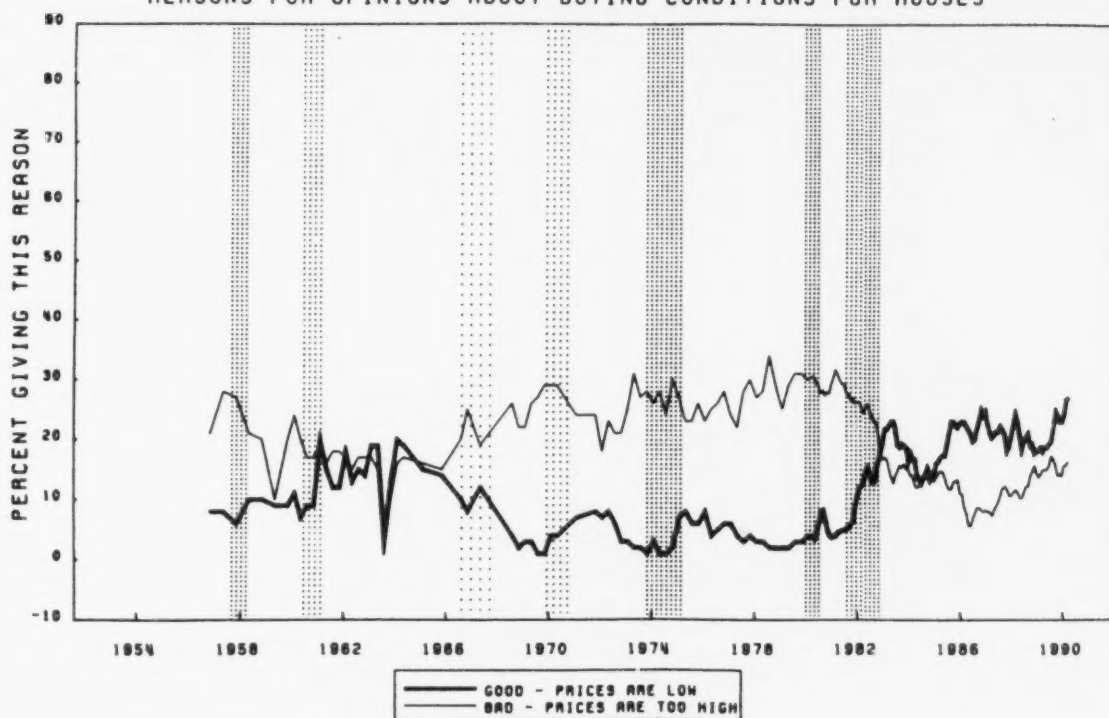


CHART 24B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

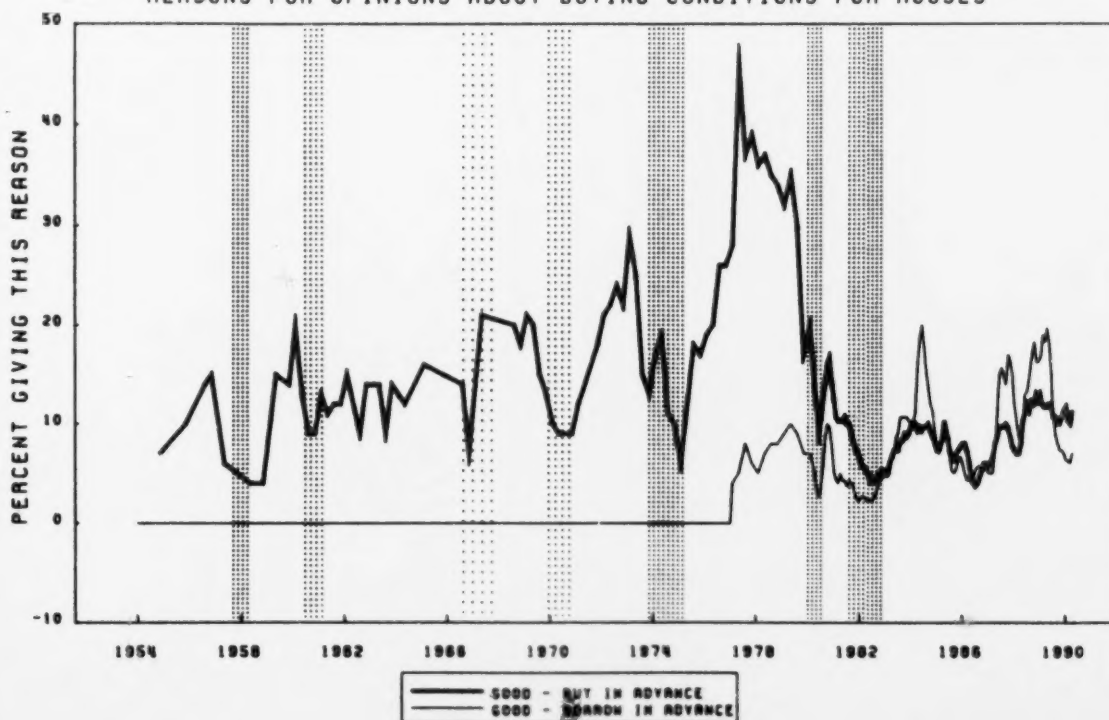


TABLE 24
SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

Apr. 1989 May 1989 June 1989 July 1989 Aug. 1989 Sept 1989 Oct. 1989 Nov. 1989 Dec. 1989 Jan. 1990 Feb. 1990 Mar. 1990 Apr. 1990

GOOD TIME TO BUY:

Prices are low; good buys available	17%	22%	17%	19%	23%	25%	26%	21%	22%	26%	25%	29%	27%
Prices won't come down; are going higher	13	11	12	9	11	10	9	13	12	10	9	11	14
Interest rates are low	16	16	22	27	28	36	29	29	26	31	25	28	25
Borrow-in-advance of rising interest rates	20	15	11	8	8	8	6	8	7	4	8	6	7
Good investment	6	8	9	8	6	7	6	8	8	8	6	6	9
Times are good; prosperity	4	4	3	5	3	4	5	2	3	2	3	4	5

BAD TIME TO BUY:

Prices are high	16	13	16	18	18	14	15	13	15	14	18	15	16
Interest rates are high; credit is tight	28	25	23	15	15	14	13	15	17	13	18	18	14
Times are bad; can't afford to buy	7	6	5	6	6	6	6	8	6	6	8	5	7
Bad times ahead; uncertain future	4	3	2	2	2	2	1	2	3	4	2	4	1

Responses to the query: "Why do you say so?" following the question on Table 23.
+ : May add to more than 100% due to multiple mentions.

CHART 24C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

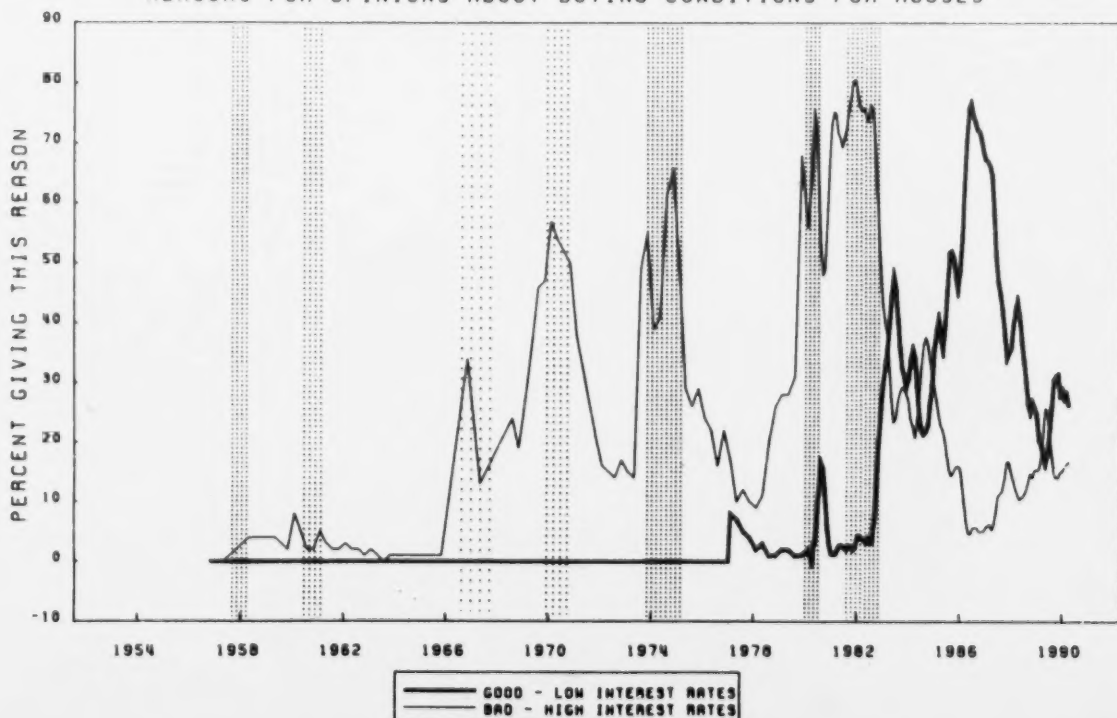


CHART 25 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

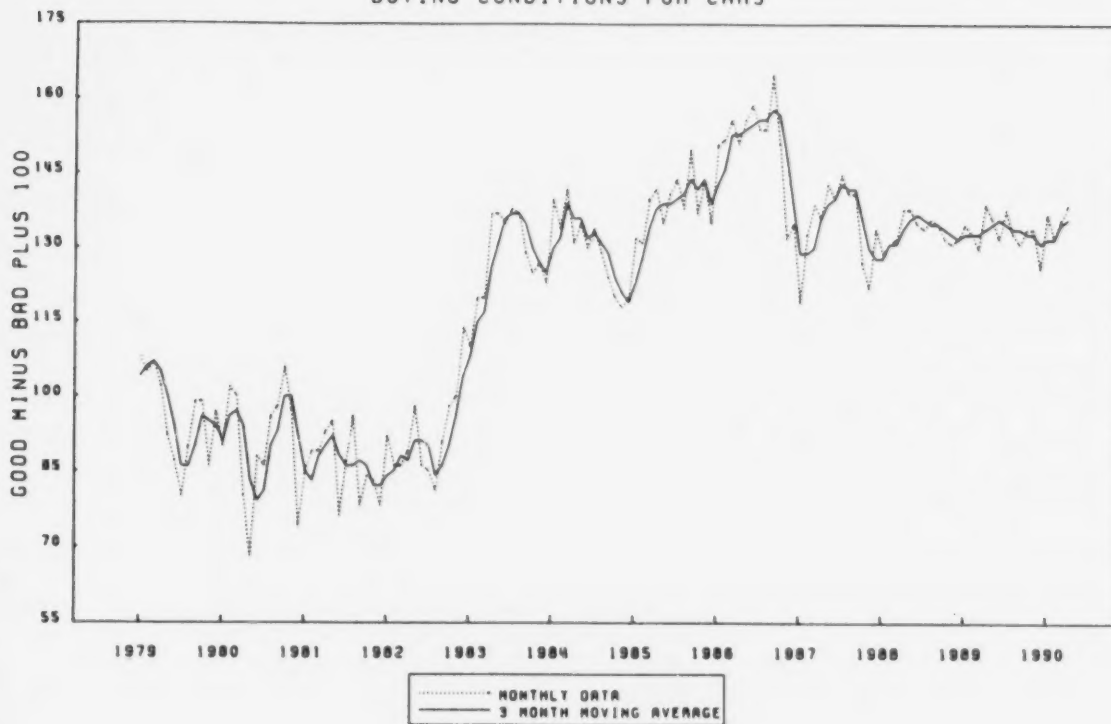


CHART 25 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

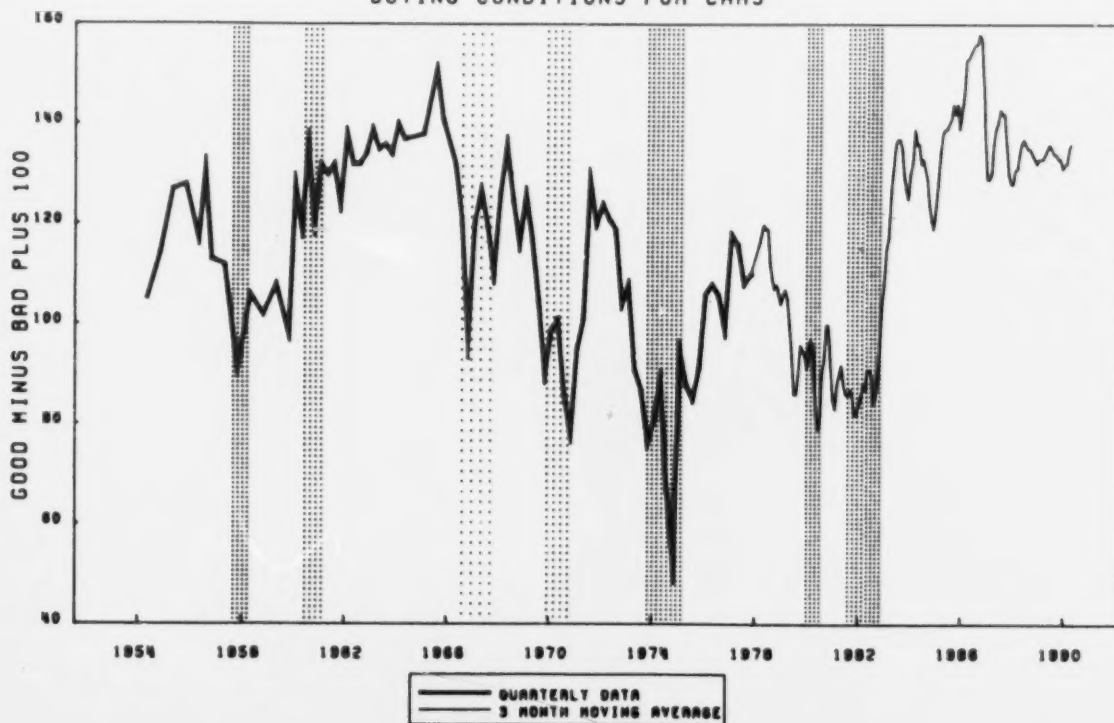


TABLE 25

BUYING CONDITIONS FOR CARS

	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990
GOOD TIME TO BUY	65%	63%	61%	64%	61%	61%	62%	62%	58%	63%	63%	65%	66%
UNCERTAIN; DEPENDS	9	10	10	10	11	9	10	10	10	11	6	6	7
BAD TIME TO BUY	26	27	29	26	28	30	28	28	32	26	31	29	27
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	500	503	507	501	502	506	500	502	500	500	511	503	504

The question was: "Speaking now of the automobile market—do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 26A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

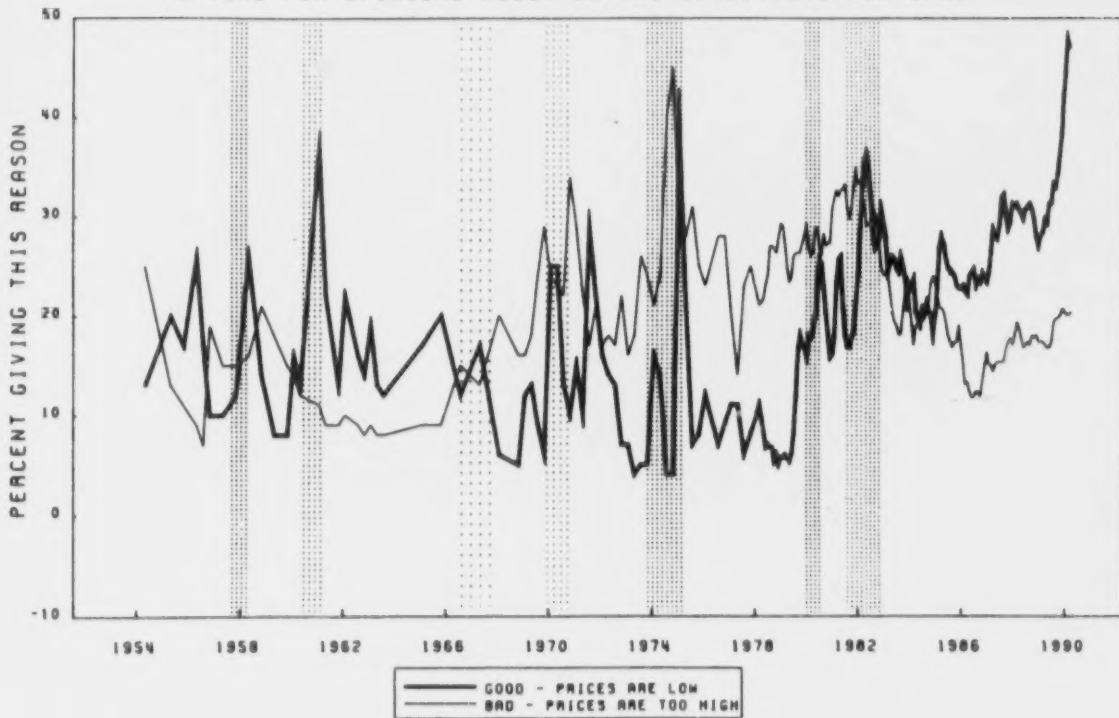


CHART 26B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

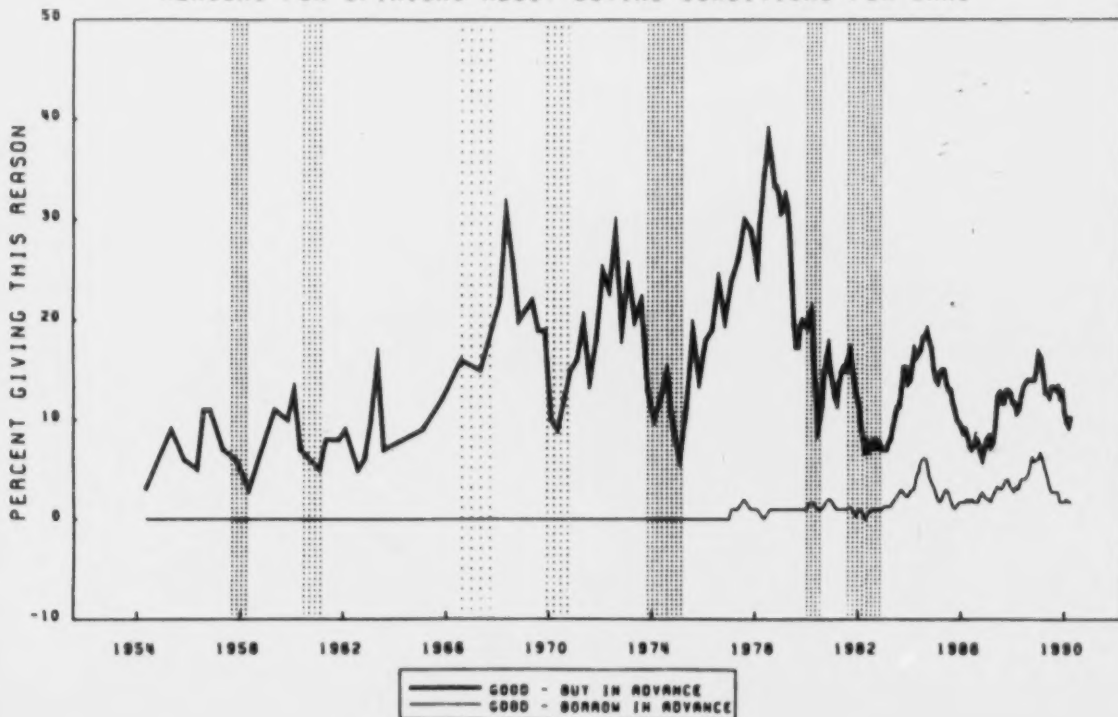
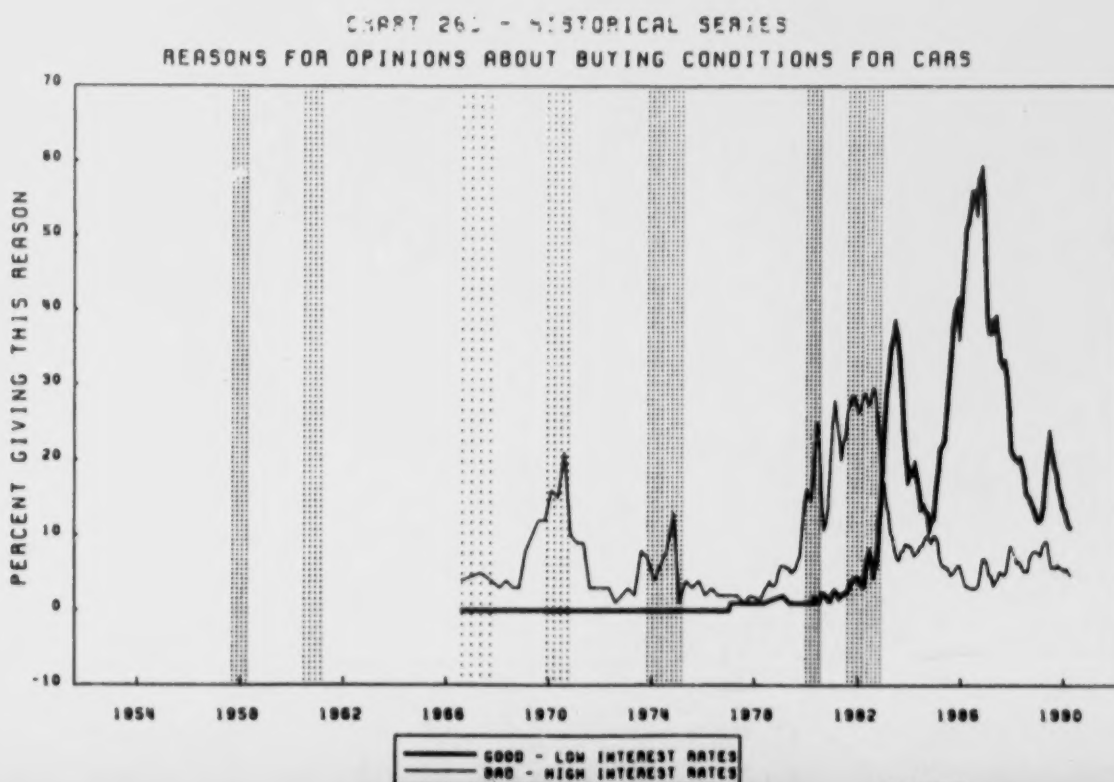


TABLE 26
SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	Apr. 1989	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990
GOOD TIME TO BUY:													
Prices are low; good buys available	32%	29%	33%	32%	35%	32%	36%	41%	38%	48%	48%	48%	45%
Prices won't come down; are going higher	12	14	11	15	14	10	16	11	11	10	8	10	13
Interest rates are low	25	23	21	19	18	18	13	15	13	12	11	11	11
Borrow-in-advance of rising interest rates	4	4	2	2	4	2	2	1	2	2	2	1	2
Times are good; prosperity	3	3	2	3	2	4	3	2	1	2	2	2	2
BAD TIME TO BUY:													
Prices are high	16	16	18	18	22	19	18	23	21	17	22	21	18
Interest rates are high; credit is tight	9	6	7	4	7	6	6	5	6	5	6	4	4
Times are bad; can't afford to buy	3	4	3	2	2	5	4	4	4	2	4	4	4
Bad times ahead; uncertain future	3	2	1	1	2	1	2	1	1	2	2	2	2
Poor selection; quality	2	3	2	3	2	3	2	3	4	3	3	4	2

Responses to the query: "Why do you say so?" following the question on Table 25.
+ : May add to more than 100% due to multiple mentions.



EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES

THE INDEX OF CONSUMER SENTIMENT

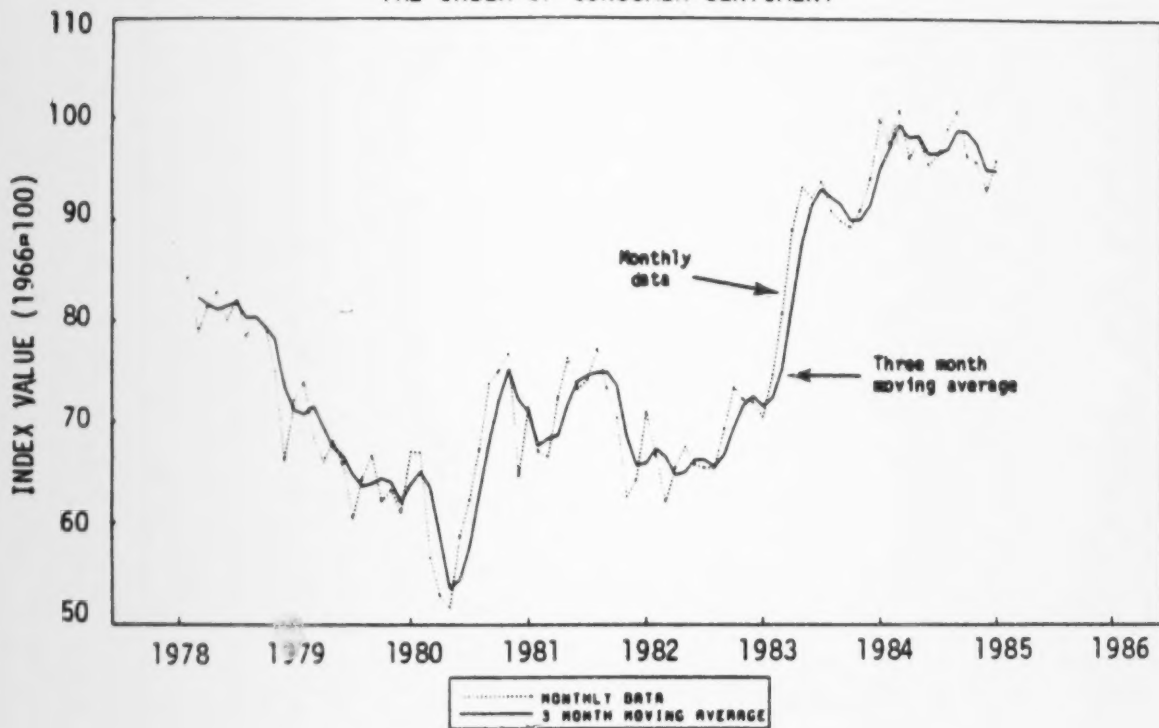
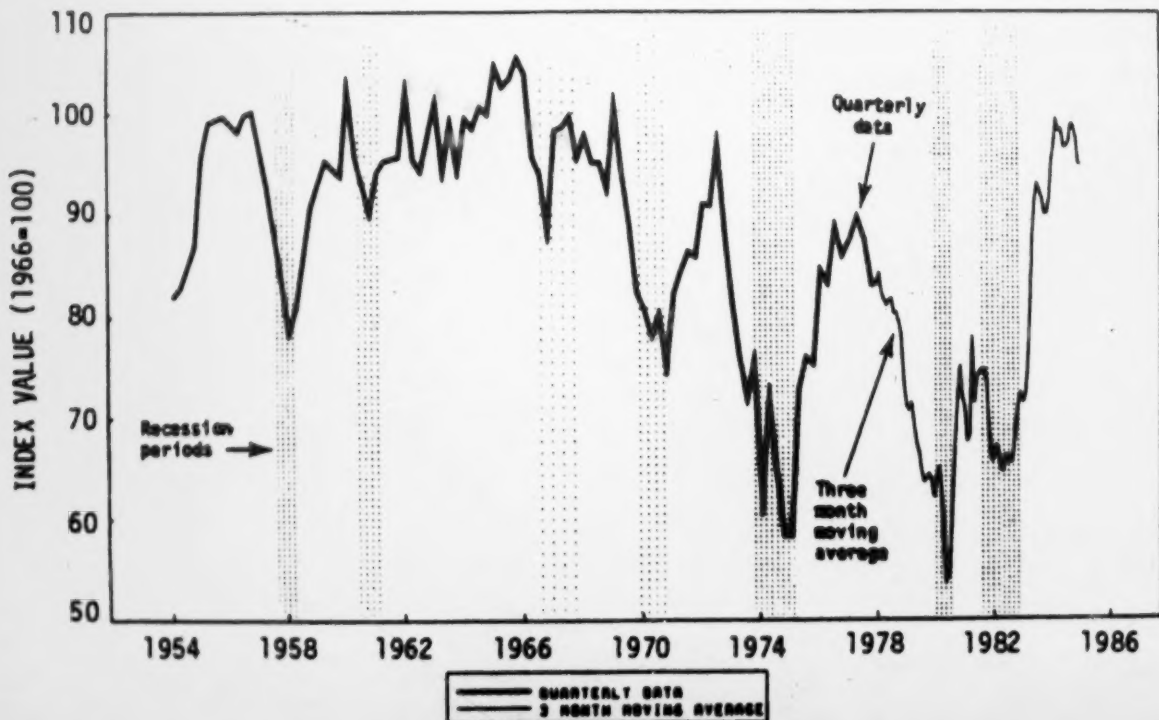


CHART 1 - HISTORICAL SERIES

THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHARTS

DATA POINTS

QUARTERLY DATA: Data collected by surveys conducted at three month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE-MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

TIME SCALE

Each tic mark on the time scale represents the month of January for the indicated year.

RECESSION PERIODS

November	1948 - October	1949
July	1953 - May	1954
August	1957 - April	1958
April	1960 - February	1961
June	1966 - November	1967*
December	1969 - November	1970
November	1973 - March	1975
January	1980 - July	1980
July	1981 - November	1982

Recession dates are determined by the National Bureau of Economic Research.

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters

***GROWTH RECESSION:** Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

RECOMMENDED ALLOWANCE FOR SAMPLING ERROR OF A PERCENTAGE
(Sampling Error Allowance in Percentage Points¹)

For Estimated Percentage Near	Number of Interviews											
	100	200	300	400	500	750	1000	1250	1500	2000	2500	3000
1% or 99%	2.2	1.6	1.3	1.1	1.0	0.8	0.7	0.6	0.6	0.5	0.4	0.4
5% or 95%	4.9	3.5	2.8	2.4	2.2	1.8	1.5	1.4	1.3	1.1	1.0	0.9
10% or 90%	6.7	4.8	3.9	3.4	3.0	2.4	2.1	1.9	1.7	1.5	1.3	1.2
20% or 80%	9.0	6.3	5.2	4.5	4.0	3.3	2.8	2.5	2.3	2.0	1.8	1.6
30% or 70%	10.3	7.3	5.9	5.1	4.6	3.7	3.2	2.9	2.6	2.3	2.0	1.9
40% or 60%	11.0	7.8	6.3	5.5	4.9	4.0	3.5	3.1	2.8	2.4	2.2	2.0
50%	11.2	7.9	6.5	5.6	5.0	4.1	3.5	3.2	2.9	2.5	2.2	2.0

¹The figures in this table represent two standard errors. Hence, the chances are 95 in 100 that the true percentage lies within a range equal to the observed percentage, plus or minus the sampling error.

RECOMMENDED ALLOWANCE FOR SAMPLING ERROR OF A PERCENTAGE
(Sampling Error Allowance in Percentage Points¹)

For Estimated Percentage Near	Number of Interviews											
	100	200	300	400	500	750	1000	1250	1500	2000	2500	3000
1% or 99%	2.2	1.6	1.3	1.1	1.0	0.8	0.7	0.6	0.6	0.5	0.4	0.4
5% or 95%	4.9	3.5	2.8	2.4	2.2	1.8	1.5	1.4	1.3	1.1	1.0	0.9
10% or 90%	6.7	4.8	3.9	3.4	3.0	2.4	2.1	1.9	1.7	1.5	1.3	1.2
20% or 80%	9.0	6.3	5.2	4.5	4.0	3.3	2.8	2.5	2.3	2.0	1.8	1.6
30% or 70%	10.3	7.3	5.9	5.1	4.6	3.7	3.2	2.9	2.6	2.3	2.0	1.9
40% or 60%	11.0	7.8	6.3	5.5	4.9	4.0	3.5	3.1	2.8	2.4	2.2	2.0
50%	11.2	7.9	6.5	5.6	5.0	4.1	3.5	3.2	2.9	2.5	2.2	2.0

¹The figures in this table represent two standard errors. Hence, the chances are 95 in 100 that the true percentage lies within a range equal to the observed percentage, plus or minus the sampling error.

Surveys of Consumers

Richard T. Curtin, *Director*

NEAR TERM OUTLOOK REMAINS POSITIVE LONGER TERM PROSPECTS WEAKEN

Index Slips

The Index of Consumer Sentiment was 90.6 in the May 1990 survey. Although the May reading was below the 93.9 recorded one month earlier, it was nearly identical to the 90.7 recorded one year earlier.

Even after the small decline recorded in May, the overall level of consumer confidence remained favorable. Moreover, the recent changes in the Index reflect a continuation of the repeated small horizontal variation rather than a downward trend. The May reading of 90.6 is barely below the prior six month average of 91.5.

Among families with incomes of \$30,000 or more, the Index slipped to 97.1 in May from 99.8 one month earlier and 100.6 one year earlier.

Long Term Prospects Weakens Expectations Index

The Index of Consumer Expectations, the component of the Leading Indicators Index, fell to 79.3 in May 1990 from 83.9 one month earlier, but was insignificantly below the 80.1 recorded one year earlier. The Current Conditions Index fell slightly to 108.1 in May from 109.4 in April, but remained above the year earlier reading of 107.1.

The decline in the Expectations Index was due to less favorable prospects for both personal finances and the long term outlook for the economy.

Personal Financial Prospects: Recede but Remain Positive

Consumers' evaluations of their own financial situation remained at positive levels in the May 1990 survey, although they did recede from the very favorable levels recorded one month earlier.

Among all families in the May 1990 survey, 43 percent reported that their financial situation had improved during the past year, just below the 18-month high of 46 percent recorded in April. This slippage was due to fewer reports of income gains. Reports of income increases fell to 29 percent in May, down from 34 percent in April. Importantly, the proportion of families that complained that rising prices had diminished their living standard fell to 11 percent in May, down from the recent high of 17 percent recorded three months earlier.

An improved financial situation during the year ahead was expected by 38 percent of all families in the May 1990 survey, down from the cyclical peak of 45 percent recorded in April. Nearly half of all families (48 percent) expected their financial situation to remain largely unchanged, considering changes in both incomes and prices. Just 12 percent of all families in the May 1990 survey expected their financial situation to worsen during the year ahead. An important component of the continued strength in these personal financial expectations was the expectation that the inflation rate would moderate through the balance of the year.

Inflation Expectations Remain at Reduced Level

In the May 1990 survey, consumers expected the rate of inflation to average 4.6% during the year ahead, barely changed from the 4.5% recorded in April, but well below the 5.4% recorded at the start of 1990 and the 5.8% recorded in May of 1989.

Prospects for the Year Ahead: Continued Slow Growth Expansion

Although the recent sluggish performance of the national economy has been clearly reflected in consumer assessments, consumers do not expect the economy to sink into a recession during the year ahead. To be sure, very few expect a rebound to more robust growth levels. Rather, the majority expect more of the same slow growth during the year ahead.

More families reported that current business conditions had worsened rather than improved during the past year for the fourth consecutive month (41 versus 36 percent in the May survey). But rather than an accelerating decline, nearly six-in-ten consumers expected the performance of the national economy to remain largely unchanged during the year ahead. Overall, good times financially in the economy as a whole during the year ahead were expected by 47 percent of all families in the May 1990 survey, largely unchanged from the one month and one year earlier readings.

Unemployment Expectations

Prospects for continued slow growth in the near term have been accompanied by the expectations that the national unemployment rate would remain low, although slowly inching upward during the year ahead.

Half of all families (52 percent) expected the national unemployment rate to remain largely unchanged during the year ahead in May 1990 as well as in May 1989. Among the other half of consumers,

increases rather than further declines in unemployment were more frequently expected, by a three-to-one margin. Increases in unemployment were expected by 37 percent of all families in May 1990, compared with 10 percent that expected declines.

Darkening Clouds on Distant Horizon

While consumers expected no recession during the year ahead, the same could not be said for the longer term. More consumers expected a recessionary downturn during the next five years in the May 1990 survey than since late 1987. And it was these weaker long term prospects that were the primary source of weakness in the May survey.

Among all families in the May 1990 survey, 49 percent expected bad times financially in the economy during the next five years. Although this was only marginally above the 47 percent recorded both one month and one year earlier, it was the highest proportion recorded since late 1987. In comparison, 32 percent expected good times financially over the longer term, down from 39 percent one month earlier, and the lowest reading since late 1987.

Interest Rate Expectations

Interest rates remain the most troublesome aspect of the economic outlook. In the May 1990 survey, 58 percent of all families expected interest rates to increase during the year ahead, up from 55 percent one month earlier and 45 percent at the start of the year.

Household Durables

Favorable attitudes toward buying conditions for appliances, furniture, and home electronic goods were held by 75 percent of all families in the May 1990 survey, just between the 78 percent recorded one month earlier and the 73 percent recorded one year earlier.

These very positive buying attitudes continue to be based on the availability of price discounts, but this advantage has decreased in recent months. While the availability of price discounts was reported more frequently in May 1990 than one year earlier (32 versus 27 percent), the proportion has steadily slipped since the start of the year (from 45 to 32 percent).

Lower Home Prices: Buyers are also Sellers

Favorable attitudes towards buying conditions for homes were held by 66 percent of all families in the May 1990 survey, down from 68 percent one month earlier. Across the nation as a whole, home buying attitudes remained positive, but substantially below the cyclical peak of 86 percent recorded in the Spring of 1986.

The availability of lower prices for homes was reported by 29 percent of all families in the May 1990 survey, tying the all-time record first recorded two months earlier. Reports of lower home prices, however, were highly related to the region of residence in the May survey as shown below:

<u>Region</u>	<u>Percent Mentioning Lower Home Prices</u>
Northeast	40%
South	31%
North Central	24%
West	16%

That home prices are lower is certainly seen as an advantage for the buyer. Most home buyers, however, are also home sellers, and the price declines also represent a disadvantage. Since the question in the monthly surveys asks about buying conditions, the answers do not fully reflect the disadvantage of lower prices to sellers. This has consequently lessened the stimulative impact of these otherwise favorable attitudes, especially for the Northeast and Southern regions.

The current level of mortgage interest rates were viewed less positively in the May survey. The

proportion of families that reported the availability of low mortgage interest rates fell to 17 percent in May from 25 percent one month earlier. The decline from the 1986 peak in favorable home buying attitudes has resulted almost entirely from less favorable perceptions of mortgage interest rates.

Vehicles

Favorable assessments of buying conditions for vehicles were made by 64 percent of all families in the May 1990 survey, between the 66 percent recorded one month earlier and the 63 percent recorded one year earlier. Overall, attitudes toward vehicle buying conditions have remained largely unchanged during the past two years: in 23 of the past 24 monthly surveys the proportion holding favorable attitudes has ranged from 60 to 66 percent.

The relative stability in vehicle buying attitudes has been accompanied by a shifting rationale, toward greater reliance on discounts on prices rather than on interest rates. In the May 1990 survey, 41 percent of all families mentioned the availability of price discounts, up from 29 percent one year earlier, while references to interest rate discounts fell to 12 from 23 percent.

As price discounts have become an expected part of the market place, their stimulative impact on sales has declined. Habituation to their availability means that larger discounts are now needed to stimulate sales to the same degree as in the past. At present, it is not so much that discounts can create a competitive advantage as that the absence of discounts can create a disadvantage.

* * *

The May 1990 survey included 504 completed interviews conducted between May 1 and May 26, 1990.

SURVEYS OF CONSUMERS

SURVEYS OF CONSUMERS

MAY 1990



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Institute for Social Research

SURVEYS OF CONSUMERS

MAY 1990

The May 1990 survey was the 262nd in a series of Surveys of Consumers conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results for the total sample will differ by no more than 5 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

While every effort is made to accurately measure consumer attitudes and expectations, factors other than sampling may also affect the accuracy of these (and other) findings. These factors may include effects of the question wording, the ability of respondents to articulate answers and opinions, refusal to participate in the survey, and incomplete coverage of the population. There are no standard measures of these effects, but their presence should be acknowledged when using these and all other survey data. While measurement effects are present in all surveys, a noted advantage of time-series data is that the non-sampling influences remain relatively constant across samples.

TABLE OF CONTENTS

TABLE	TITLE
1.	The Index of Consumer Sentiment
2.	Index of Consumer Sentiment within Region and Age Subgroups
3.	Components of the Index of Consumer Sentiment
4.	Current Financial Situation Compared to a Year Ago
5.	Selected Reasons for Opinions About Personal Financial Situation
6.	Expected Change in Financial Situation
7.	Trend in Personal Financial Situation
8.	Expected Family Income Change During the Next 12 Months
9.	Expected Change in Real Family Income
10.	News Heard of Recent Changes in Business Conditions
11.	Selected Items of News Heard of Recent Changes in Business Conditions
12.	Current Business Conditions Compared to a Year Ago
13.	Expected Change in Business Conditions in a Year
14.	Trend in Past and Expected Changes in Business Conditions
15.	Business Conditions Expected During the Next 12 Months
16.	Business Conditions Expected During the Next 5 Years
17.	Expected Change in Unemployment
18.	Expected Change in Interest Rates
19.	Expected Change in Prices During the Next 12 Months
20.	Opinions About the Government's Economic Policy
21.	Buying Conditions for Large Household Goods
22.	Selected Reasons About Buying Conditions for Large Household Goods
23.	Buying Conditions for Houses
24.	Selected Reasons for Opinions About Buying Conditions for Houses
25.	Buying Conditions for Cars
26.	Selected Reasons for Opinions About Buying Conditions for Cars

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

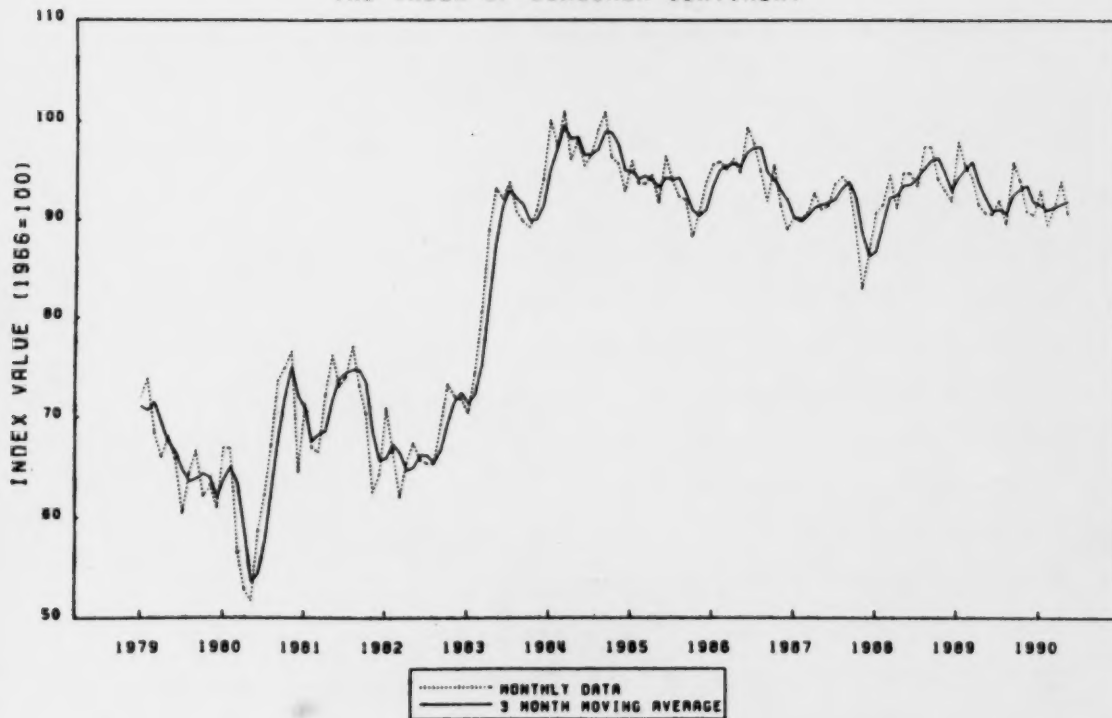


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

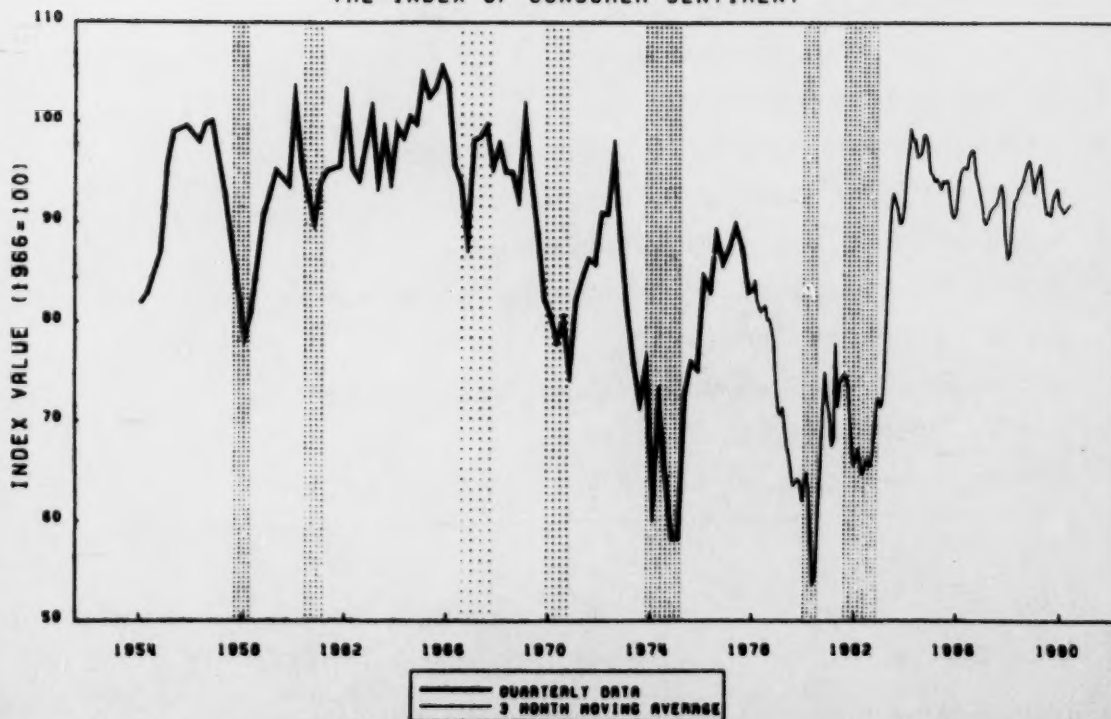


TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY		All families	Families with incomes over \$30,000	Families with incomes over \$40,000
May	1987	91.1	97.7	99.2
June	1987	91.5	102.9	102.9
July	1987	93.7	102.5	104.0
August	1987	94.4	104.4	109.1
September	1987	93.6	100.6	104.3
October	1987	89.3	99.9	101.8
November	1987	83.1	87.7	90.5
December	1987	86.8	94.5	96.1
January	1988	90.8	99.0	99.9
February	1988	91.6	98.1	100.8
March	1988	94.6	103.7	104.6
April	1988	91.2	99.1	99.6
May	1988	94.8	106.6	108.3
June	1988	94.7	102.3	102.7
July	1988	93.4	100.5	103.9
August	1988	97.4	105.1	104.2
September	1988	97.3	102.8	105.4
October	1988	94.1	103.0	103.7
November	1988	93.0	102.0	101.0
December	1988	91.9	97.0	99.5
January	1989	97.9	108.4	106.8
February	1989	95.4	104.6	109.6
March	1989	94.3	98.6	100.0
April	1989	91.5	99.1	99.8
May	1989	90.7	100.6	100.3
June	1989	90.6	95.2	95.4
July	1989	92.0	103.2	101.9
August	1989	89.6	93.5	93.1
September	1989	95.8	104.1	103.0
October	1989	93.9	100.2	103.6
November	1989	90.9	99.4	100.5
December	1989	90.5	100.0	104.1
January	1990	93.0	99.9	103.2
February	1990	89.5	93.9	91.8
March	1990	91.3	98.4	98.8
April	1990	93.9	99.8	103.3
May	1990	90.6	97.1	98.6

CHART 2A - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

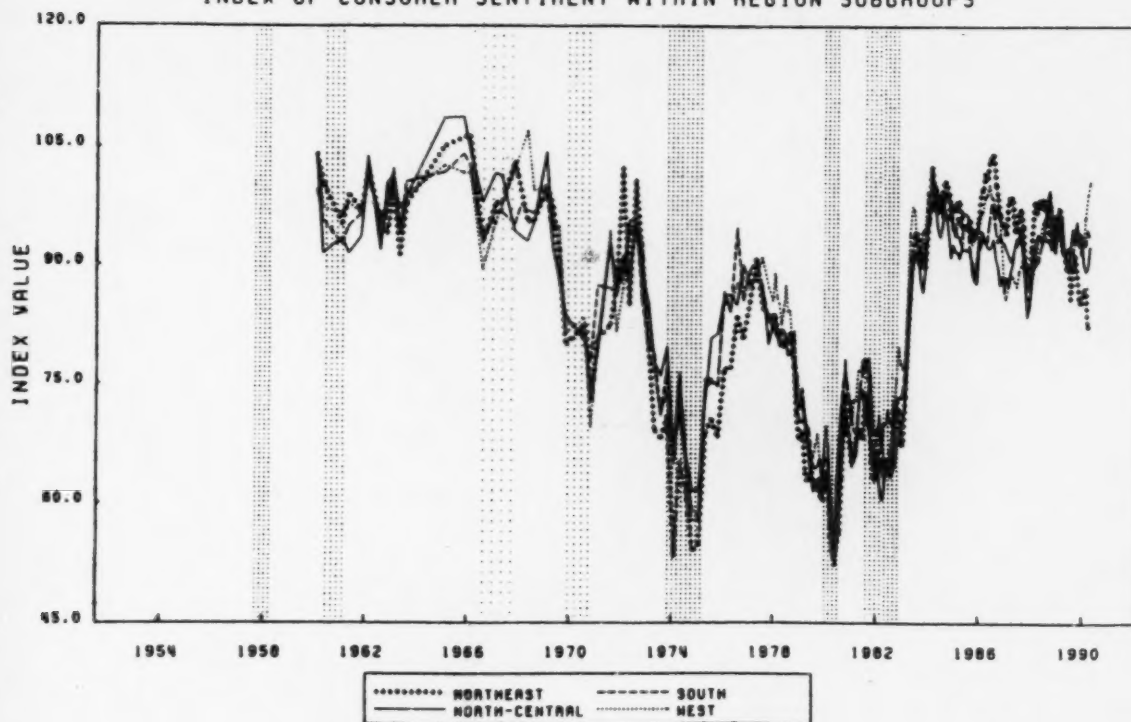


CHART 2B - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

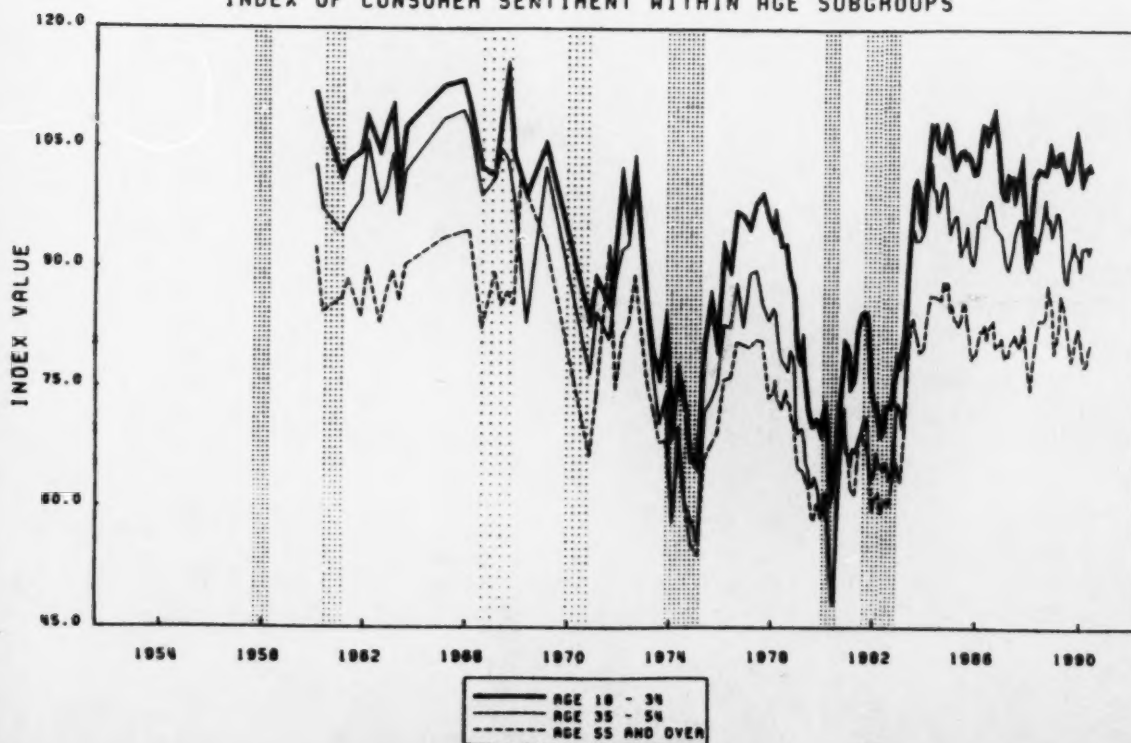


TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY		CENSUS REGION				AGE OF RESPONDENT		
		North East	North Central	South	West	18-34	35-54	55+
May 1987		91.3	92.9	92.1	87.1	99.5	92.8	82.1
June 1987		92.5	92.2	91.5	89.7	99.0	95.5	80.0
July 1987		100.1	95.7	93.8	85.2	103.0	97.8	80.2
August 1987		99.0	91.0	95.2	93.2	103.3	95.8	80.8
September 1987		92.2	94.7	94.9	91.5	104.1	95.4	82.6
October 1987		93.8	87.2	88.3	89.1	92.0	89.9	86.2
November 1987		83.9	79.6	87.9	79.4	91.7	86.6	70.8
December 1987		83.4	83.6	90.4	89.2	94.1	92.9	73.6
January 1988		99.8	91.3	87.6	88.5	98.3	93.6	80.1
February 1988		93.7	92.1	92.8	86.3	102.5	90.3	79.9
March 1988		101.2	92.9	91.6	95.3	103.5	98.9	80.0
April 1988		94.9	93.9	88.6	89.0	100.0	87.5	86.6
May 1988		99.1	95.5	91.1	97.3	104.2	95.4	84.7
June 1988		98.1	91.2	95.9	95.2	103.1	102.0	79.5
July 1988		98.3	92.0	91.8	94.0	99.6	93.0	86.6
August 1988		95.7	100.9	94.4	98.5	103.6	101.7	86.3
September 1988		95.2	101.9	93.3	97.6	106.1	93.3	91.4
October 1988		91.8	96.1	92.9	96.6	105.8	94.6	82.0
November 1988		95.8	90.6	90.5	98.9	100.4	94.3	82.2
December 1988		90.8	90.2	96.1	88.0	103.7	97.1	73.9
January 1989		96.9	94.2	99.9	102.2	105.8	100.3	86.7
February 1989		103.5	99.2	88.8	93.6	104.3	94.2	86.7
March 1989		91.5	95.8	96.1	92.2	103.9	91.8	87.0
April 1989		83.9	94.6	93.4	90.3	101.0	87.5	83.8
May 1989		99.9	86.7	87.3	94.3	102.2	86.9	81.9
June 1989		84.7	91.2	94.4	89.8	100.0	90.4	81.1
July 1989		87.2	91.9	95.6	91.8	101.9	95.8	78.0
August 1989		85.2	93.6	85.0	95.7	105.7	88.9	76.1
September 1989		97.1	98.8	94.0	92.7	107.1	96.2	84.9
October 1989		92.1	89.6	99.5	92.6	107.3	90.5	83.9
November 1989		77.5	98.7	87.2	99.4	102.2	88.6	79.3
December 1989		87.1	89.2	93.5	90.7	99.3	90.3	80.4
January 1990		91.0	94.2	93.8	92.2	101.4	99.5	78.3
February 1990		82.0	88.2	91.5	95.1	104.9	88.2	74.7
March 1990		89.5	85.5	92.5	101.5	101.7	91.4	81.1
April 1990		75.9	95.6	100.1	101.1	102.8	96.0	83.6
May 1990		80.4	96.5	88.0	99.5	102.6	91.6	77.9

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

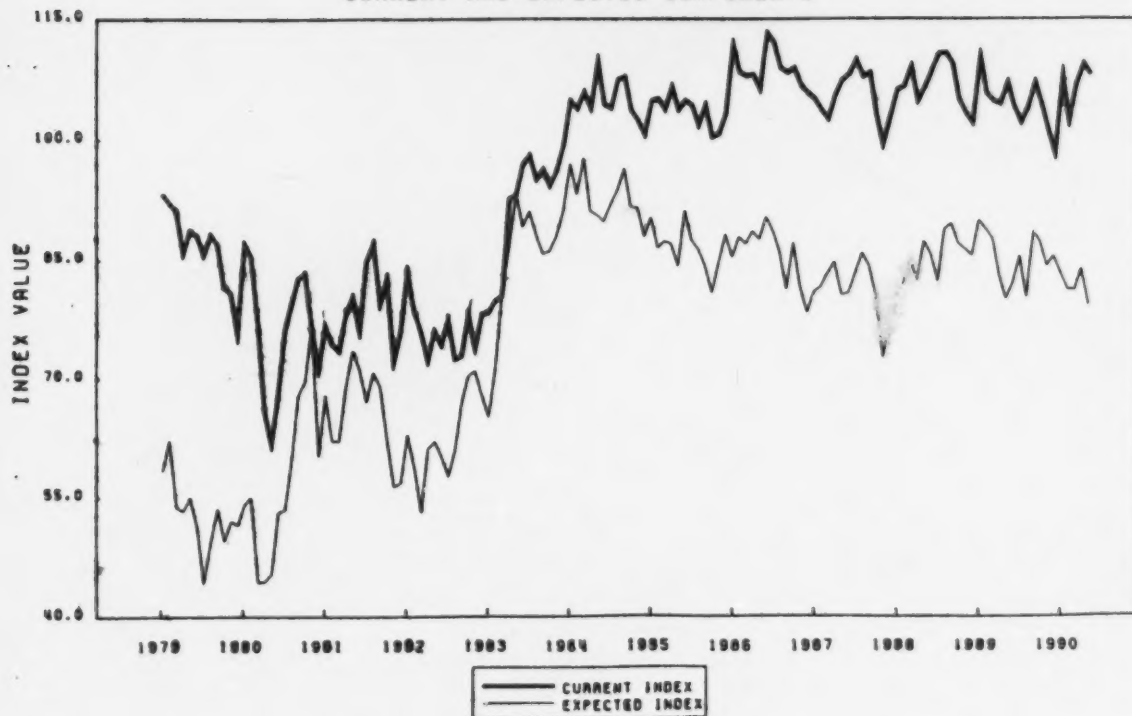


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

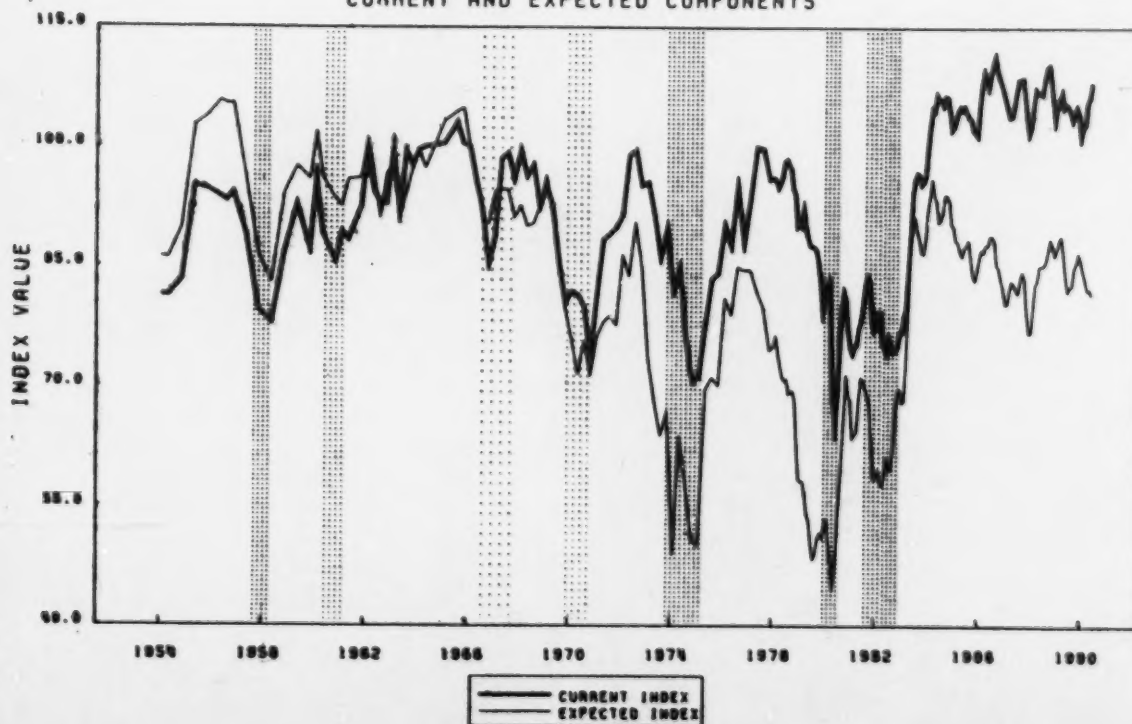


TABLE 3
COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT
INDEX COMPONENTS +

		Personal finances		Business conditions		Buying conds.	Current Index	Expected Index
		Current	Expected	12 months	5 years			
DATE OF SURVEY		(1)	(2)	(3)	(4)	(5)	(1,5)	(2,3,4)
May 1987		117	121	114	89	161	107.4	80.6
June 1987		120	122	113	89	161	108.1	80.8
July 1987		123	123	118	94	162	109.9	83.3
August 1987		122	127	125	93	157	107.8	85.8
September 1987		119	124	122	92	162	108.3	84.2
October 1987		118	128	105	90	149	103.1	80.4
November 1987		115	118	93	80	142	99.3	72.7
December 1987		119	120	98	89	147	102.7	76.7
January 1988		122	131	110	84	154	106.2	80.9
February 1988		122	130	108	90	155	106.6	81.9
March 1988		127	133	114	96	156	109.1	85.2
April 1988		117	125	117	89	154	104.8	82.4
May 1988		111	127	125	98	165	106.5	87.3
June 1988		119	129	121	95	163	108.6	85.7
July 1988		120	128	106	96	167	110.7	82.3
August 1988		127	127	125	105	160	110.8	88.8
September 1988		127	133	125	102	157	109.4	89.5
October 1988		114	124	129	97	158	105.0	87.0
November 1988		112	128	122	97	156	103.3	86.3
December 1988		114	127	119	98	150	102.0	85.5
January 1989		121	131	128	103	165	110.3	89.9
February 1989		120	130	128	99	154	105.7	88.8
March 1989		116	131	123	98	156	104.8	87.6
April 1989		113	130	113	91	158	104.4	83.2
May 1989		121	125	107	89	157	107.1	80.1
June 1989		115	123	115	90	155	104.1	82.0
July 1989		112	123	124	96	152	102.1	85.5
August 1989		114	126	109	88	156	103.9	80.3
September 1989		117	129	127	101	161	107.1	88.6
October 1989		114	134	124	93	156	104.4	87.2
November 1989		116	130	116	92	146	101.2	84.3
December 1989		115	129	115	99	140	98.2	85.5
January 1990		116	124	119	92	164	108.0	83.4
February 1990		108	126	111	90	157	102.3	81.3
March 1990		117	125	108	93	160	106.9	81.3
April 1990		122	136	110	92	162	109.4	83.9
May 1990		119	126	110	83	161	108.1	79.3

(1) See Table 4 (2) See Table 6 (3) See Table 15 (4) See Table 16 (5) See Table 21
+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or
"WORSE"), plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

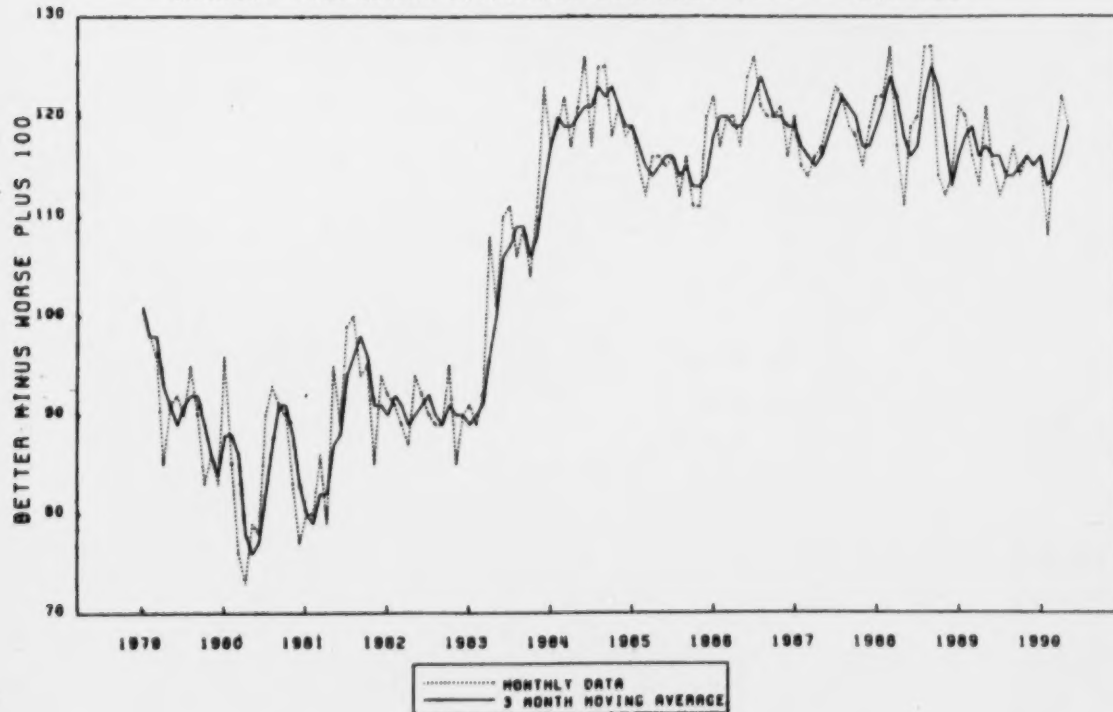


CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

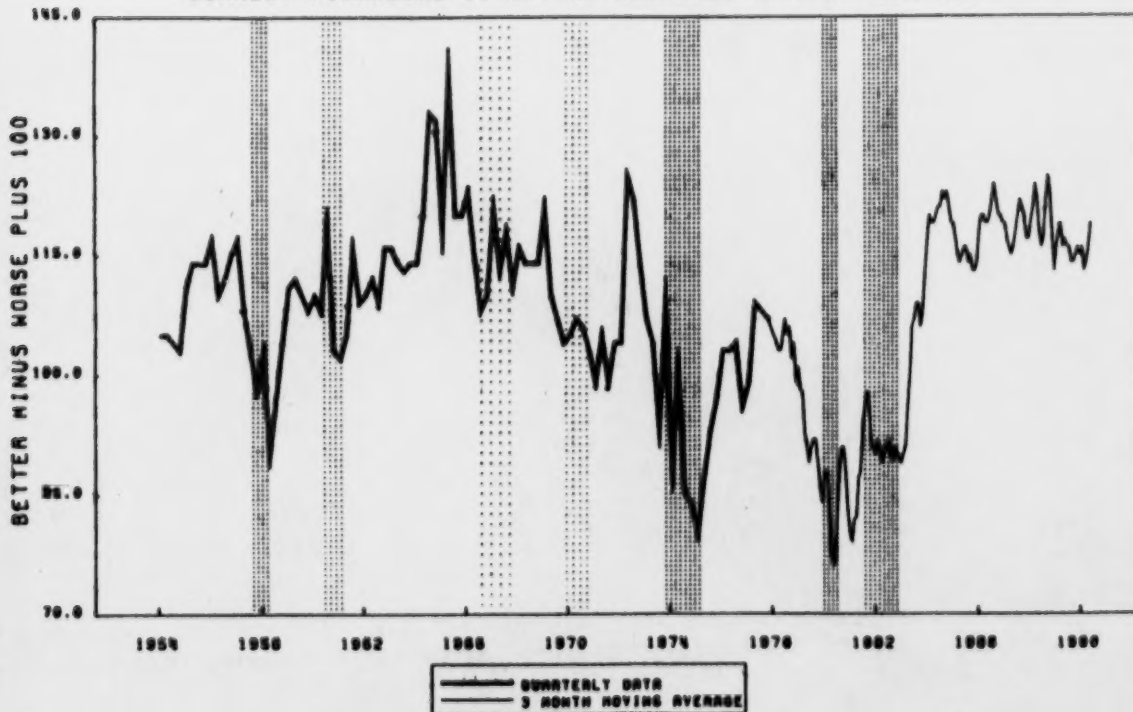


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990
BETTER OFF	45%	38%	41%	41%	42%	42%	42%	41%	43%	38%	43%	46%	43%
SAME	31	38	30	32	32	30	32	32	30	32	30	29	33
WORSE OFF	24	23	29	27	25	28	26	26	27	30	26	24	24
DK, NA	*	1	*	*	1	*	*	1	*	*	1	1	*
TOTAL	100%	100%	100%	100%	100%	~~100%~~	~~100%~~	~~100%~~	100%	100%	100%	100%	100%
CASES	503	507	501	502	506	500	502	500	500	511	503	504	504

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

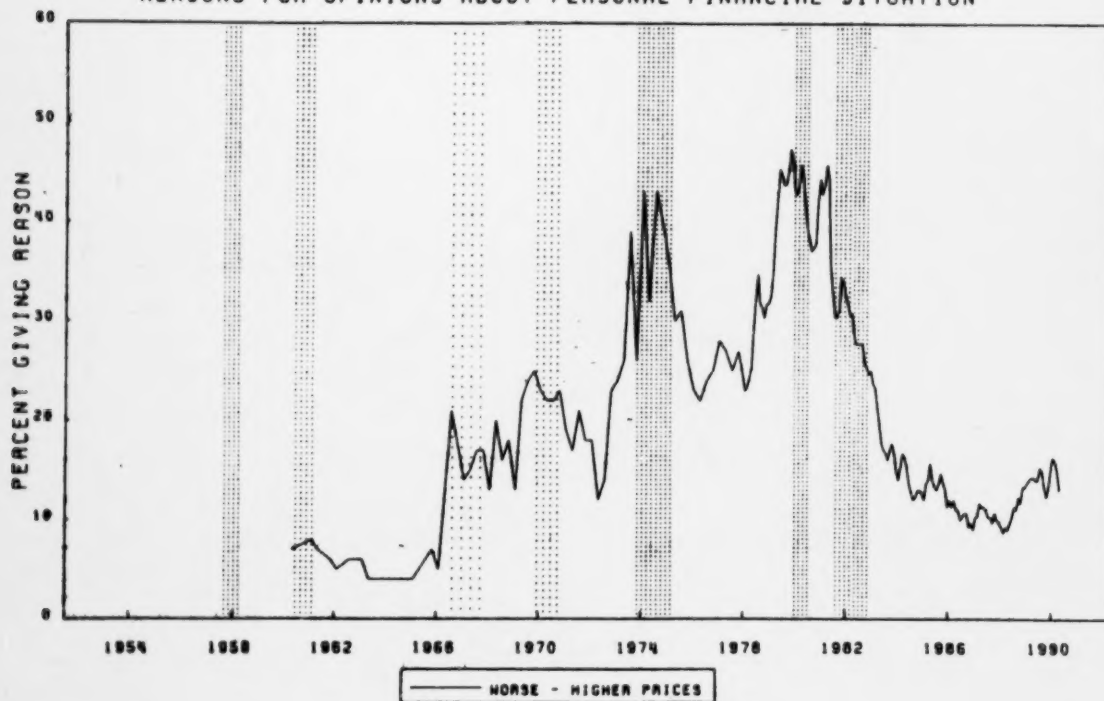


CHART 5B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

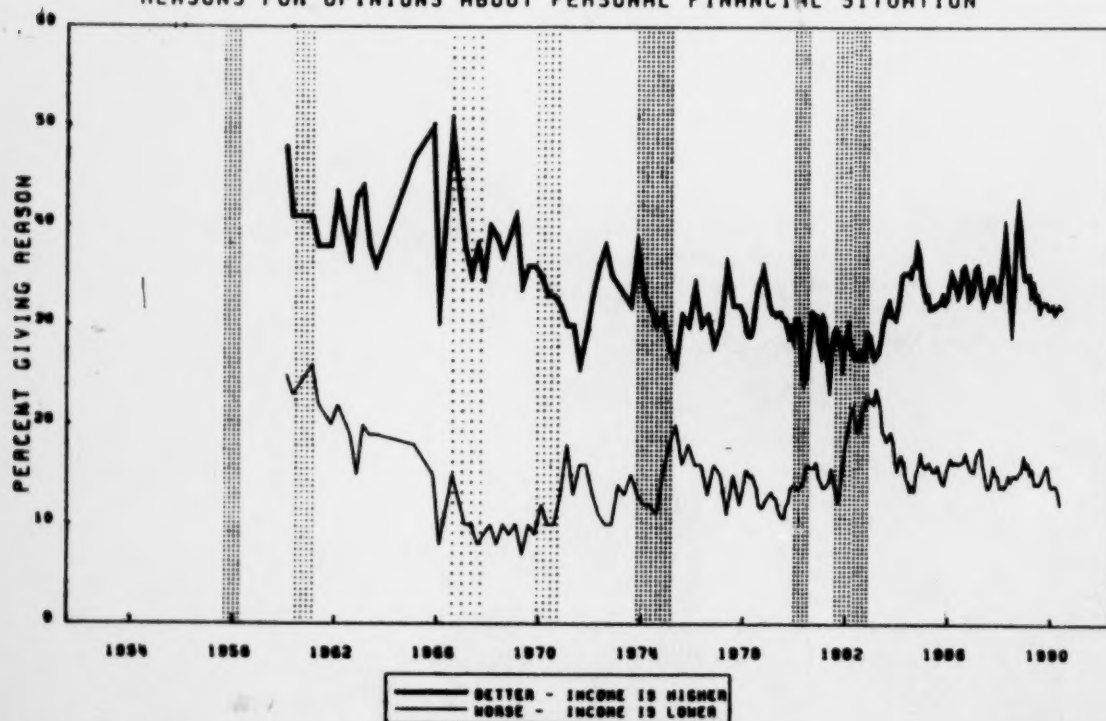


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990
BETTER OFF THAN YEAR AGO:													
Income is higher	32%	31%	32%	34%	31%	32%	32%	31%	33%	30%	32%	34%	29%
WORSE OFF THAN YEAR AGO:													
Income is lower	13	14	15	14	16	17	15	11	15	16	11	13	12
Higher prices	12	14	16	16	13	11	13	16	16	17	15	13	11

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

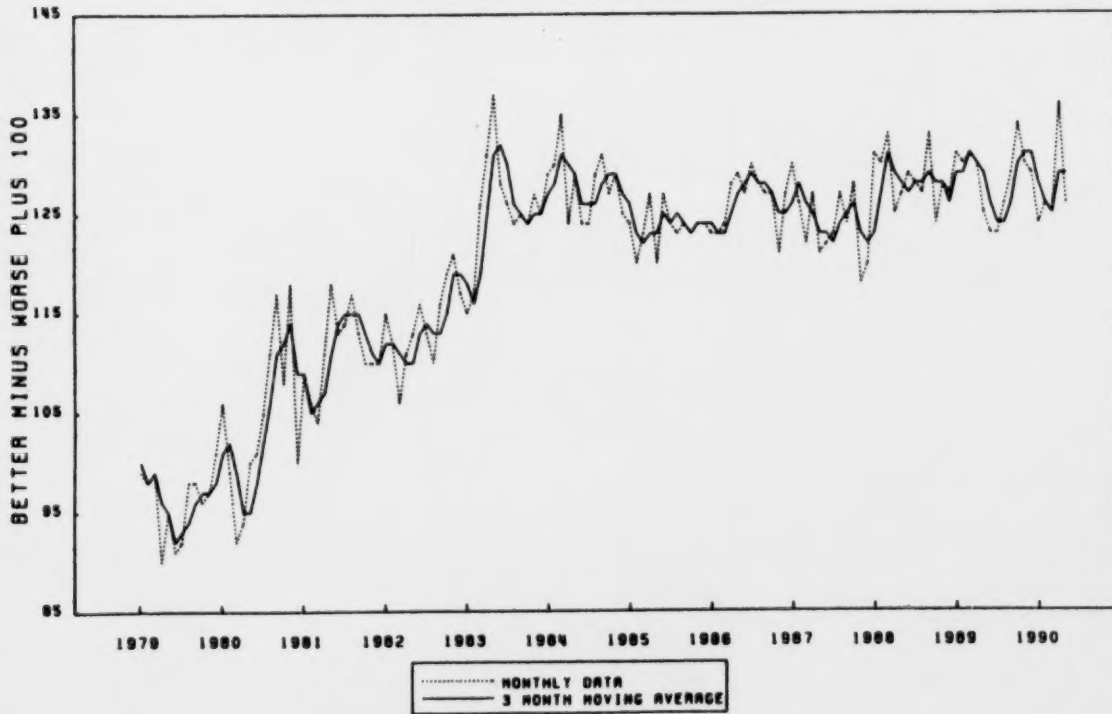


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

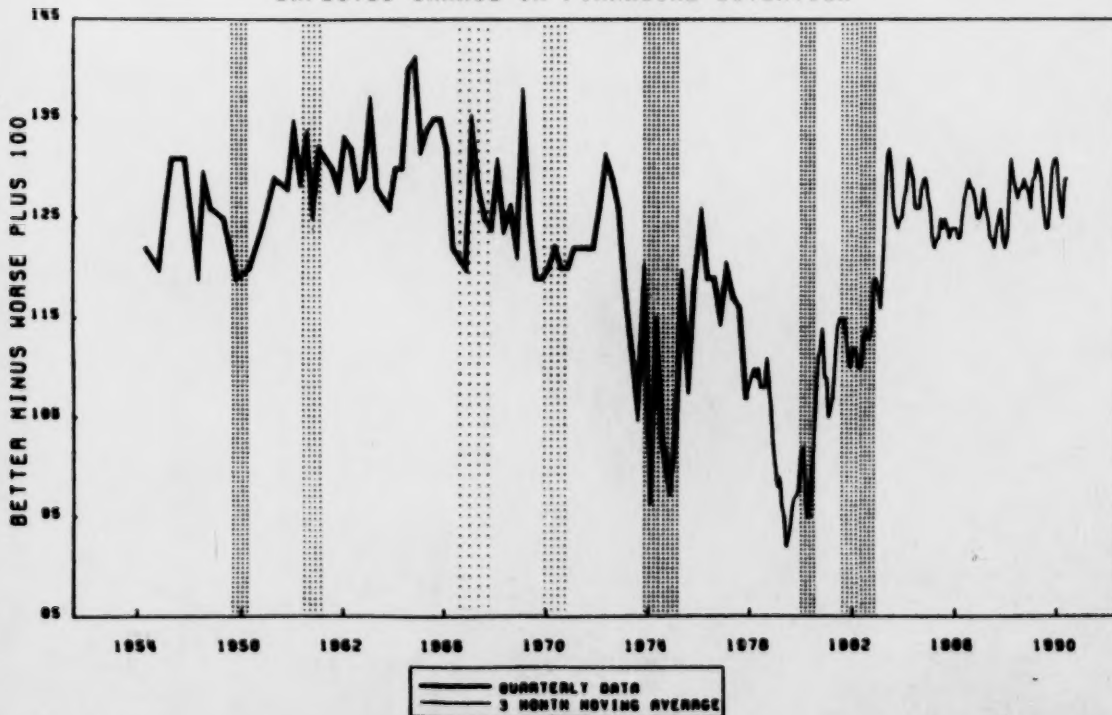


TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990
BETTER OFF	39%	34%	35%	37%	38%	41%	40%	37%	35%	35%	37%	45%	38%
SAME	45	52	50	49	49	47	48	50	51	53	49	44	48
WORSE OFF	14	11	12	11	9	7	10	8	11	9	12	9	12
DK,NA	2	3	3	3	4	5	2	5	3	3	2	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	503	507	501	502	506	500	502	500	500	511	503	504	504

The question was: "Now looking ahead—do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

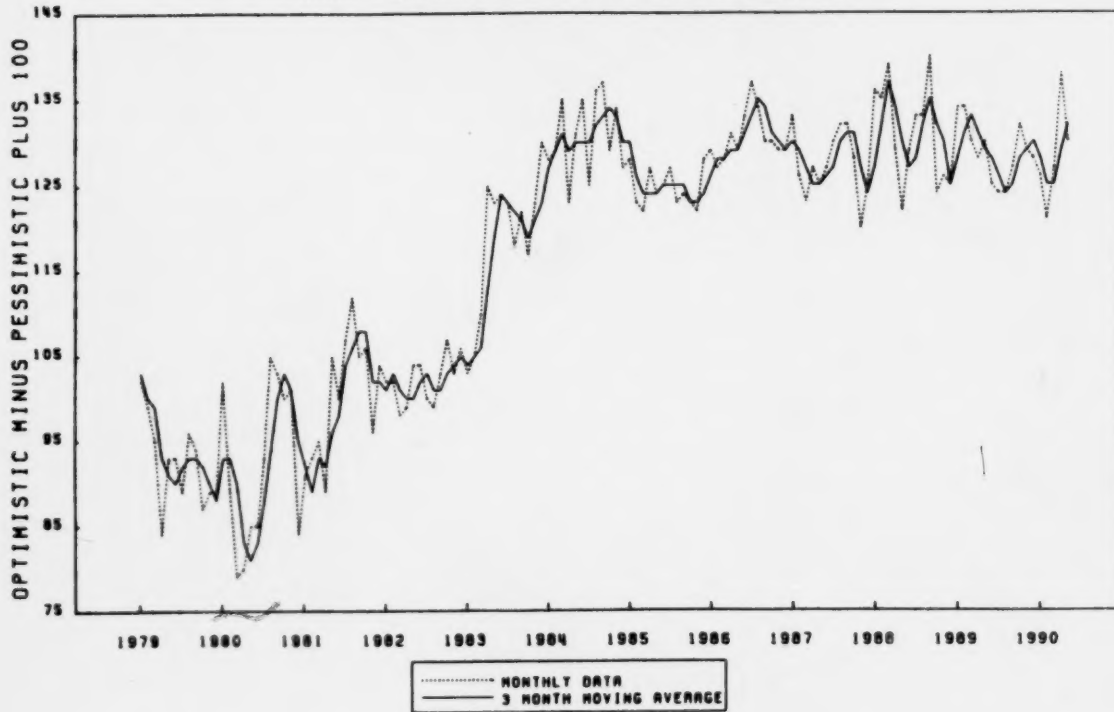


CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

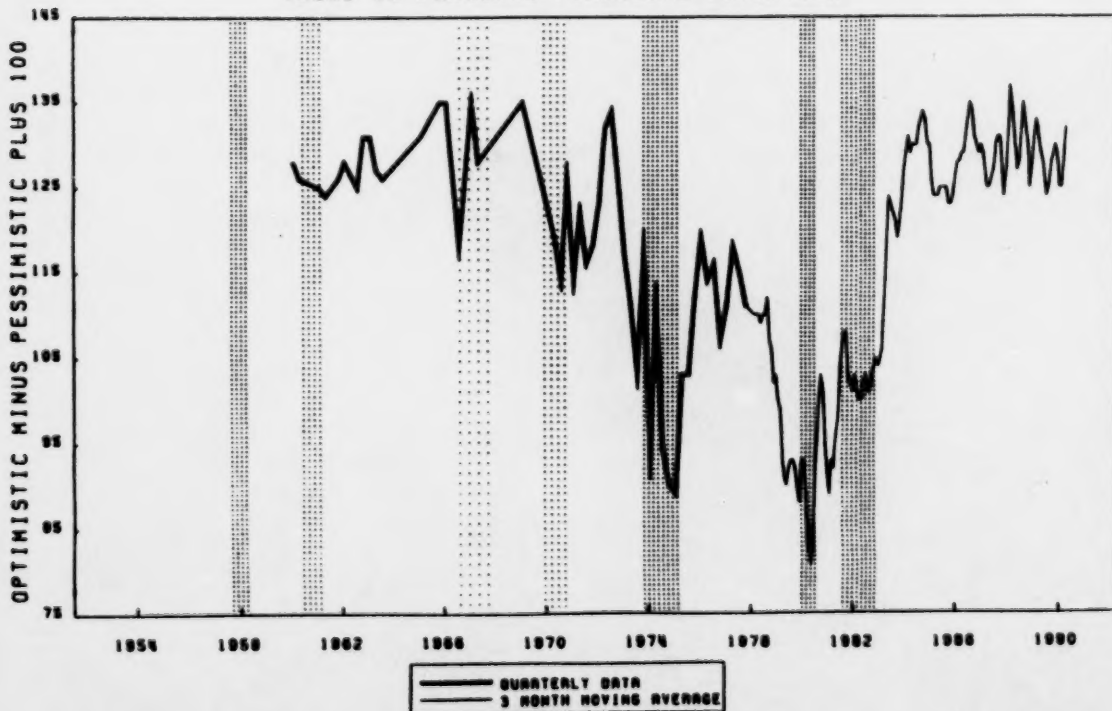


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	21%	16%	19%	20%	24%	22%	21%	19%	20%	17%	20%	24%	22%
Intermittent increase(b)	31	28	28	25	24	27	26	28	28	26	28	29	26
Remain unchanged (c)	14	22	18	20	19	17	20	18	17	21	17	16	21
Intermittent decline (d)	18	15	15	16	17	12	14	16	16	17	15	11	11
Continuous decline (e)	4	4	8	5	4	5	4	3	6	5	6	4	7
Mixed change (f)	9	11	9	10	8	11	13	11	9	10	10	13	11
DK,NA	3	4	3	4	4	6	2	5	4	4	4	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	503	507	501	502	506	500	502	500	500	511	503	504	504

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
 (b) Better/Same or Same/Better
 (c) Same/Same
 (d) Worse/Same or Same/Worse
 (e) Worse/Worse
 (f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
 MEDIAN EXPECTED CHANGE IN FAMILY INCOME

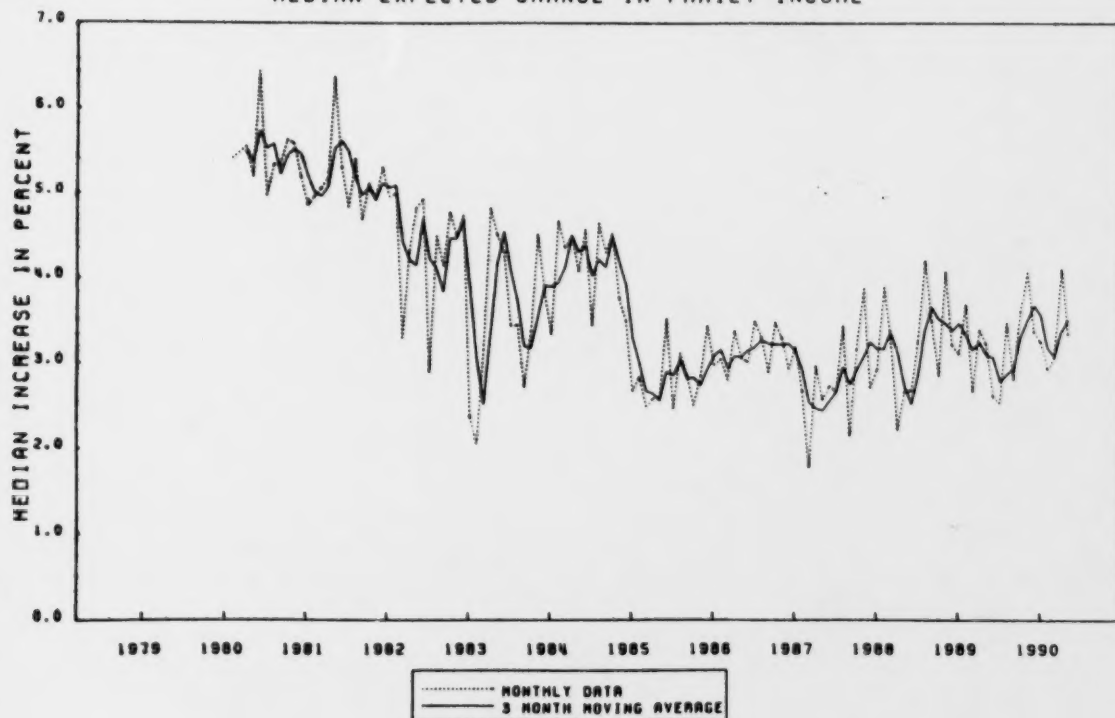


CHART 8 - HISTORICAL SERIES
 MEDIAN EXPECTED CHANGE IN FAMILY INCOME

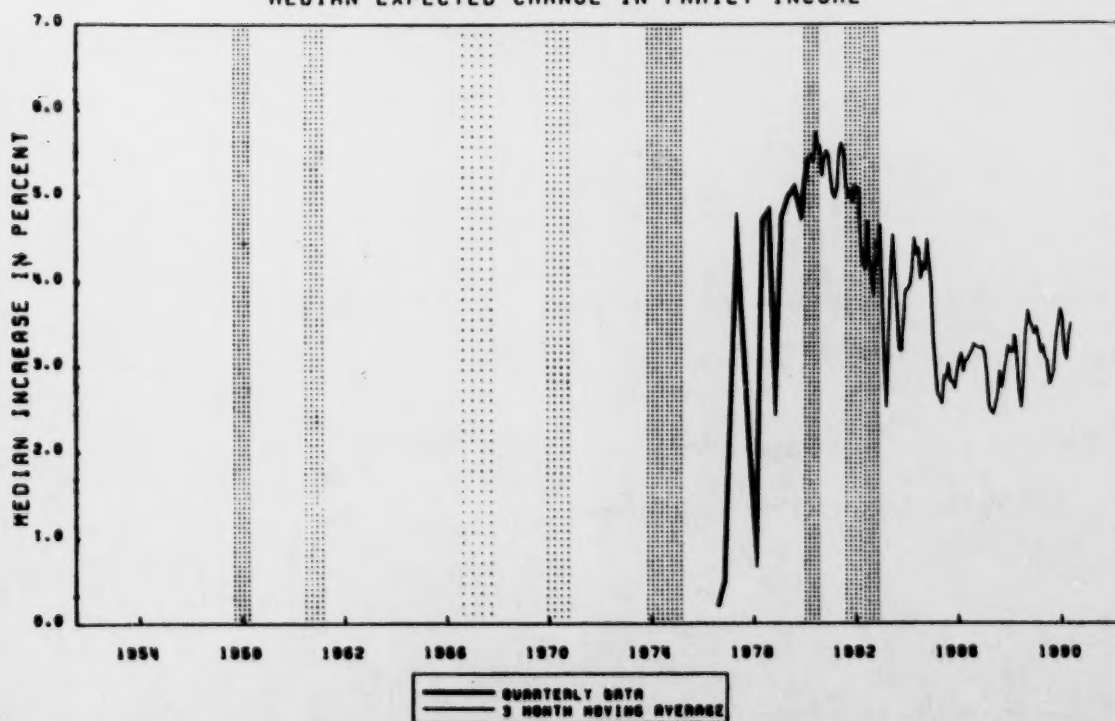


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990
EXPECT INCREASE:													
1-4%	16%	18%	15%	15%	16%	15%	23%	16%	18%	17%	15%	15%	16%
5%	9	11	9	13	10	12	13	12	13	12	9	13	9
6-9%	7	6	6	8	7	7	7	8	7	6	9	7	8
10-24%	17	14	16	17	15	14	16	13	14	15	16	18	18
25% or more	8	6	6	6	5	9	7	7	5	5	4	8	7
DK how much up	4	5	6	3	5	4	6	5	5	3	5	4	5
EXPECT SAME	26	27	31	26	25	25	19	26	25	30	28	27	27
EXPECT DOWN	12	12	10	12	15	12	9	12	11	11	13	7	9
DK, NA	1	1	1	*	2	2	*	1	2	1	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	503	507	501	502	506	500	502	500	500	511	503	504	504

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

* : Less than half of one percent.

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

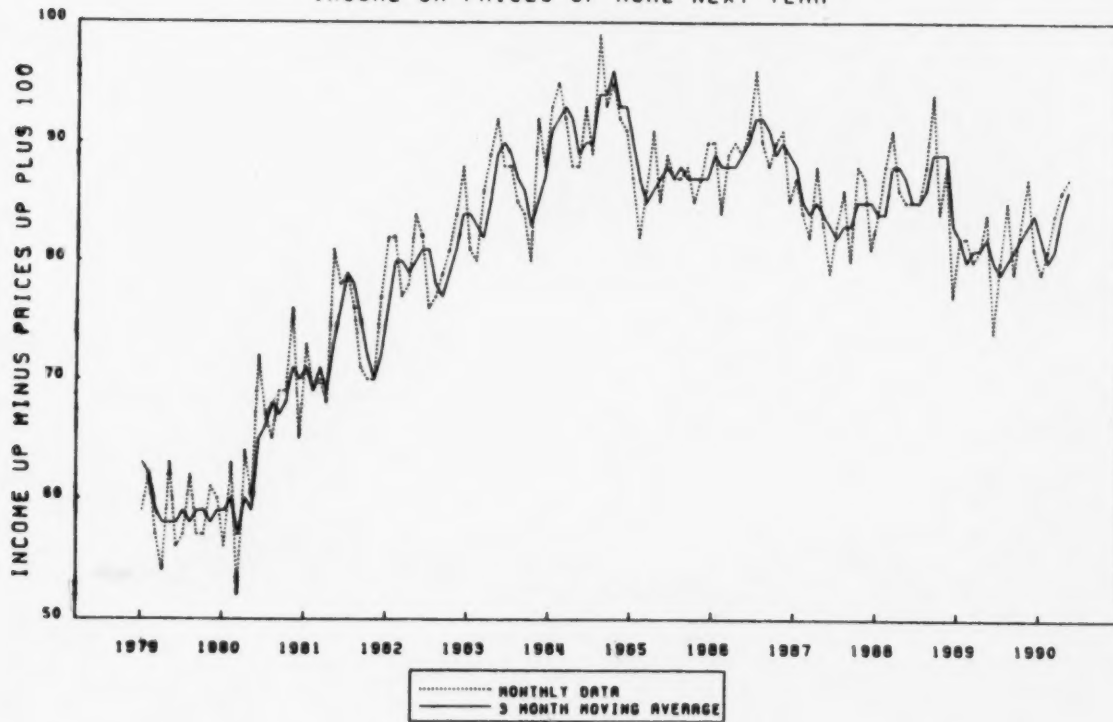


CHART 9 - HISTORICAL SERIES
INCOME OR PRICES UP MORE NEXT YEAR

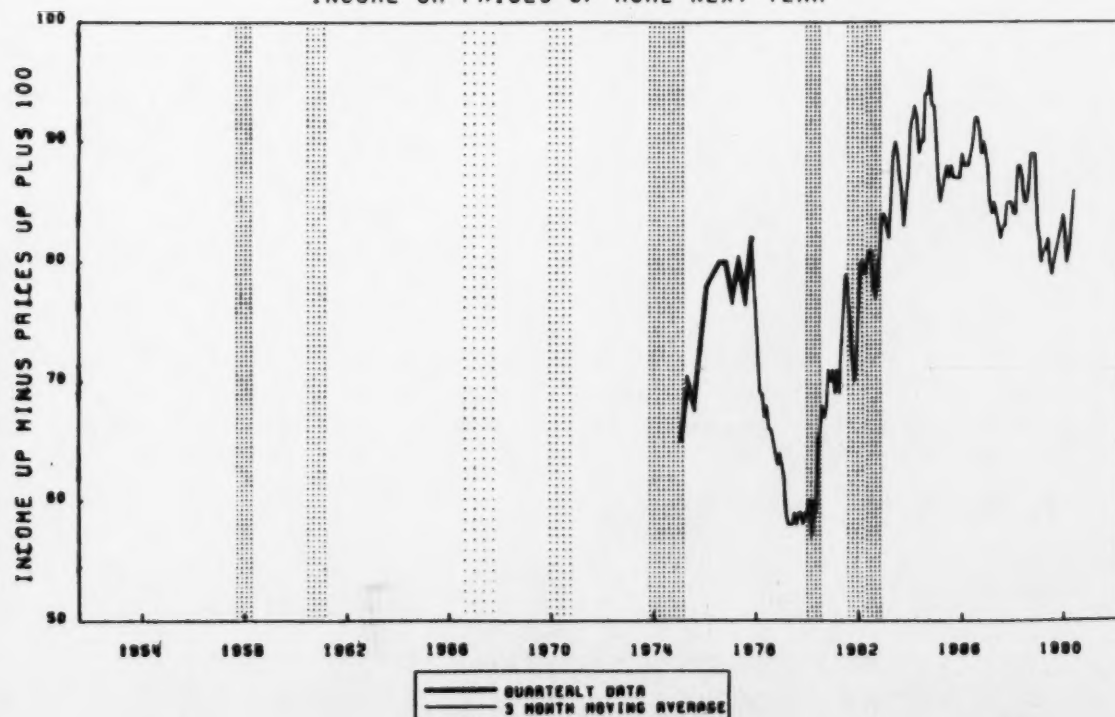


TABLE 9

EXPECTED CHANGE IN REAL FAMILY INCOME

	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990
INCOME UP MORE	22%	16%	19%	21%	19%	20%	22%	21%	17%	17%	20%	21%	19%
INCOME UP SAME	37	39	40	39	39	41	42	36	42	44	42	42	48
PRICES UP MORE	38	42	39	36	40	37	35	40	38	36	36	35	32
DK,NA	3	3	2	4	2	2	1	3	3	3	2	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	503	507	501	502	506	500	502	500	500	511	503	504	504

The question was: "How about the next year or two—do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 10 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

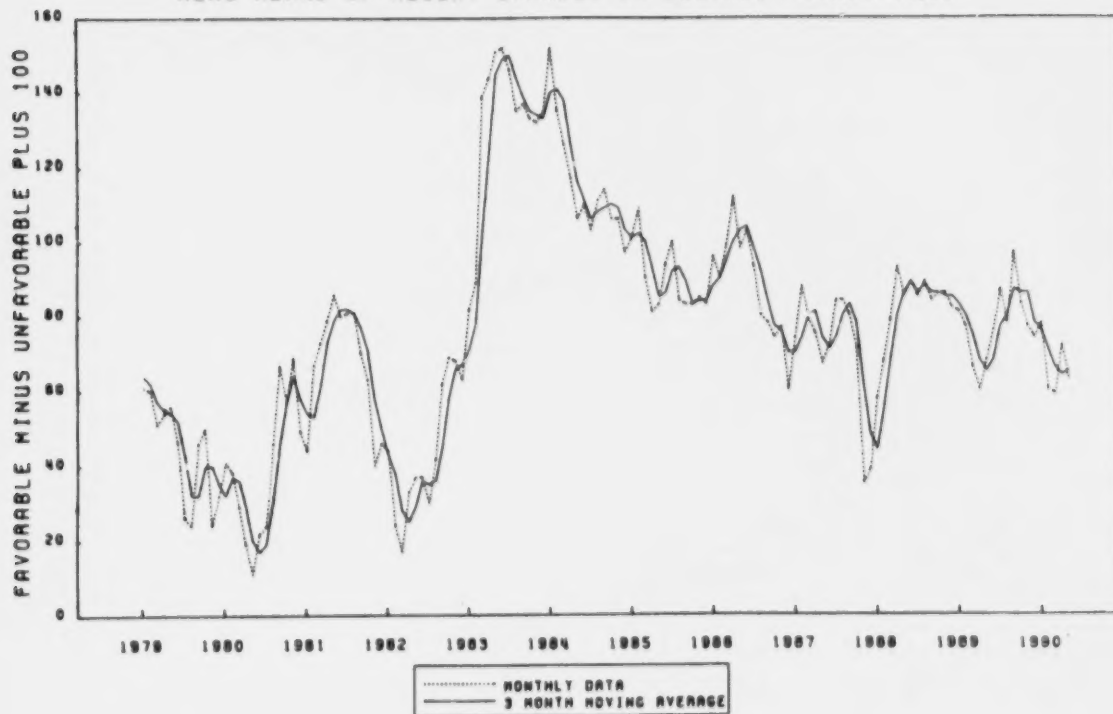


CHART 10 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

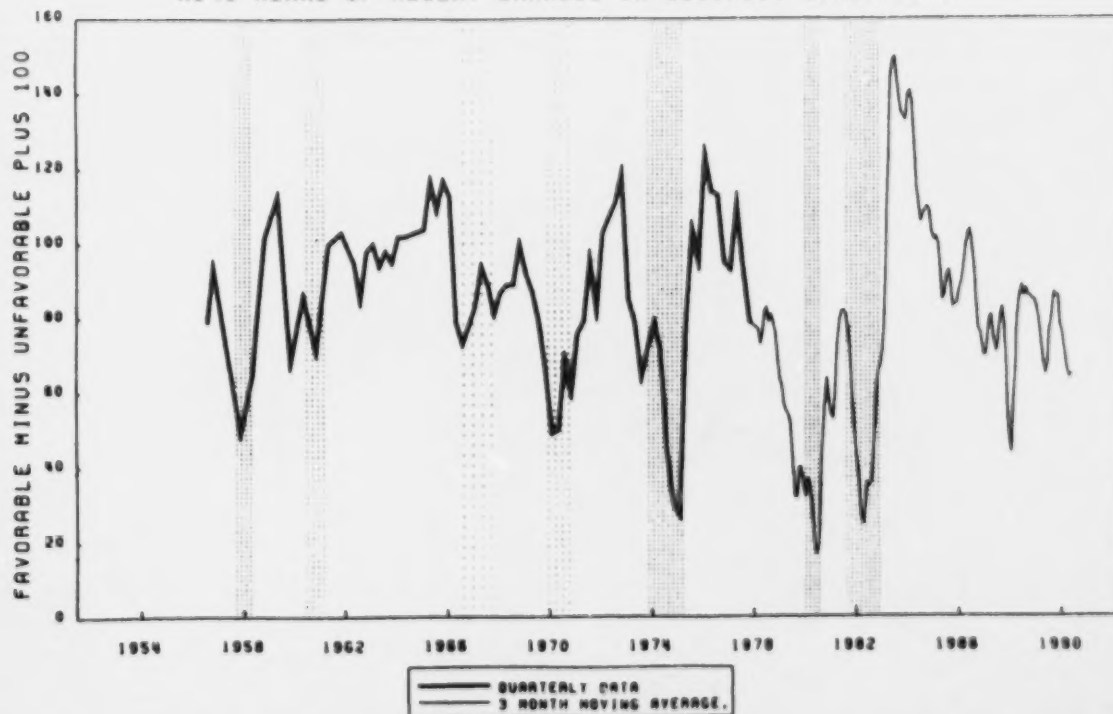


TABLE 10

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990
FAVORABLE NEWS	22%	23%	28%	23%	29%	24%	22%	24%	26%	20%	21%	23%	18%
UNFAVORABLE NEWS	54	47	41	45	32	41	45	50	48	60	62	51	55
NO MENTIONS	48	53	50	53	56	52	52	50	49	44	43	49	50

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 11A - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

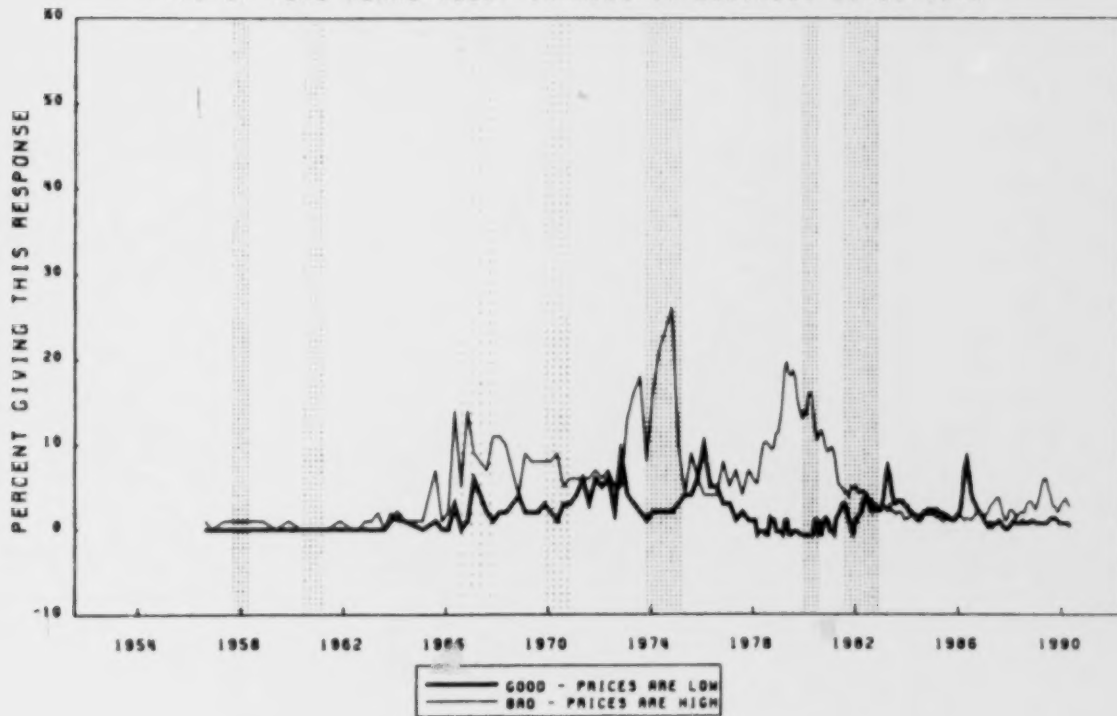


CHART 11B - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

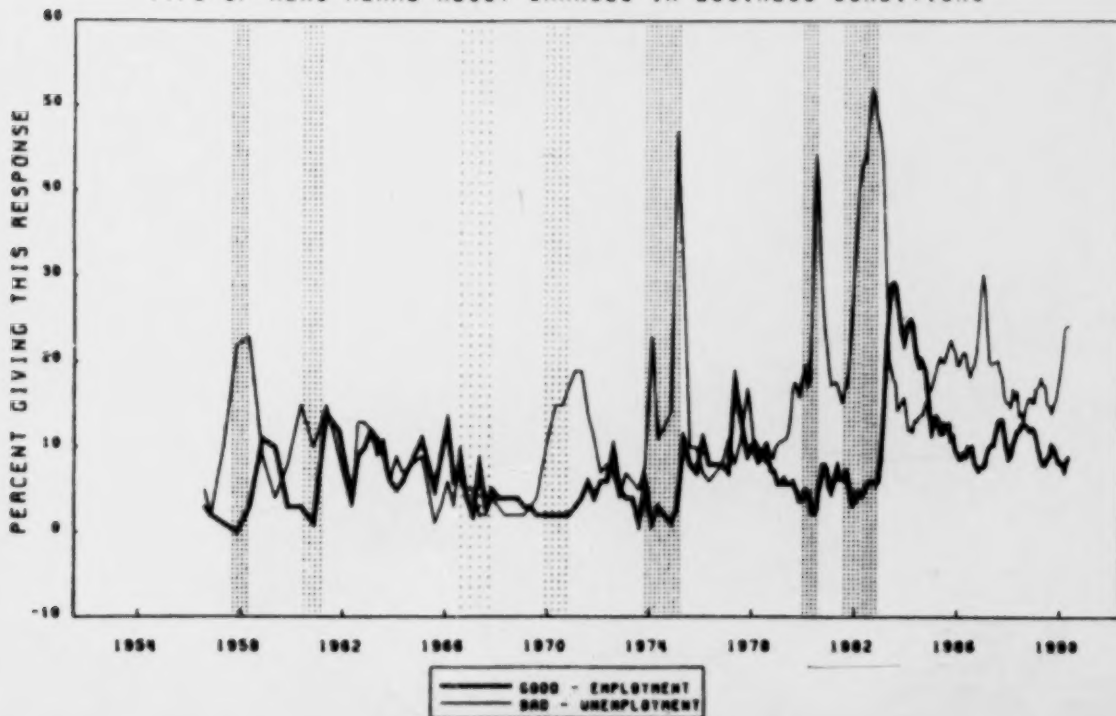


TABLE 11

SELECTED ITEMS OF
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990
FAVORABLE NEWS:													
Government; elections	1%	1%	*	2%	2%	1%	1%	3%	1%	2%	3%	1%	1%
Employment	8	8	10	9	12	9	7	9	9	6	7	12	8
Higher consumer demand	2	1	2	1	1	1	2	2	1	1	2	2	1
Lower prices	1	1	1	2	1	1	1	*	1	1	*	1	*
Easier credit	1	4	6	5	4	3	3	1	6	3	1	1	2
Stock market	2	2	2	1	3	2	2	2	2	1	1	1	1
Trade deficit	1	*	1	1	1	1	1	3	2	2	2	2	1
UNFAVORABLE NEWS:													
Government; elections	4	4	5	3	4	2	3	5	3	6	6	3	8
Unemployment	15	17	13	15	14	16	17	19	21	24	27	22	24
Lower consumer demand	4	3	3	3	2	2	5	6	5	6	6	6	3
Higher prices	6	6	2	4	2	2	2	3	4	3	4	2	2
Tighter credit	10	5	3	2	1	1	1	2	1	3	3	2	3
Stock market	2	1	1	1	1	7	6	2	2	6	4	3	3
Trade deficit	2	3	5	3	2	2	2	5	2	3	4	5	2

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 12 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

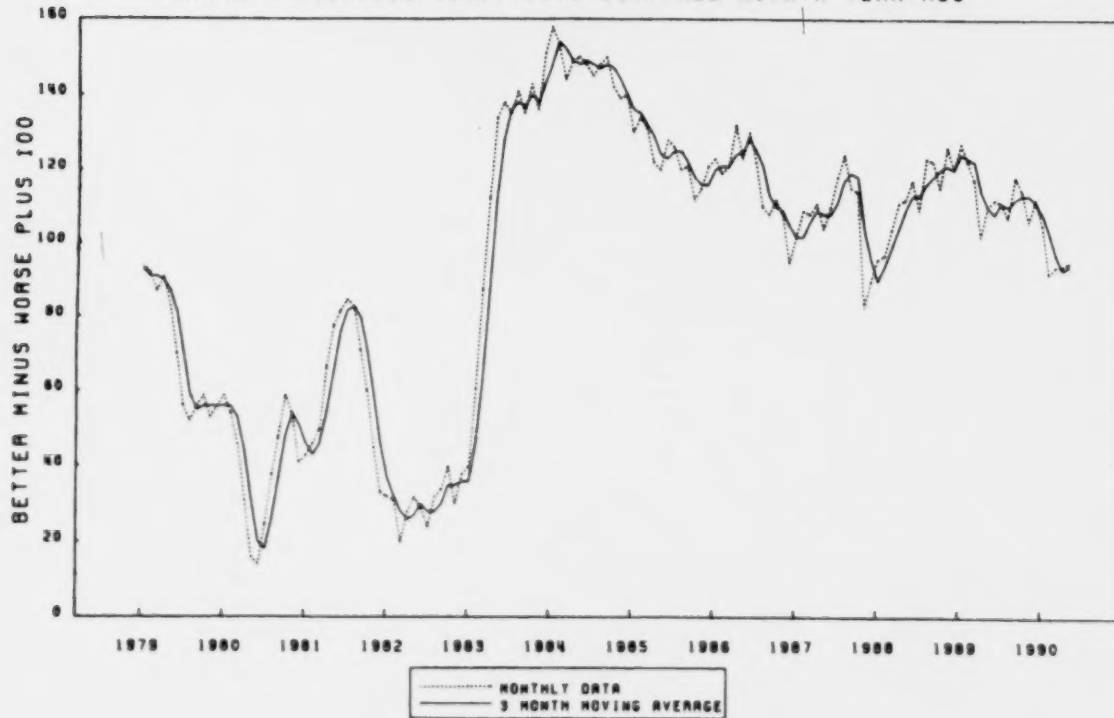


CHART 12 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

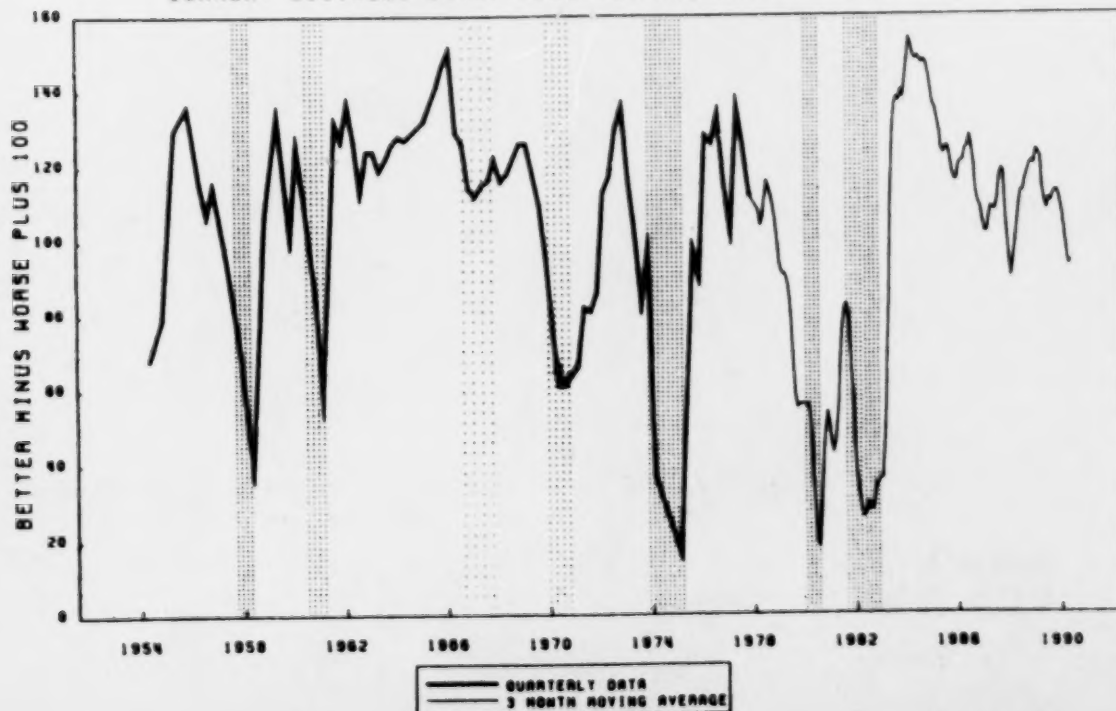


TABLE 12

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990
BETTER NOW	44%	45%	43%	42%	48%	47%	42%	45%	43%	36%	36%	38%	36%
SAME	19	18	22	21	19	19	19	19	16	17	20	17	19
WORSE NOW	34	33	32	35	30	33	36	33	38	44	42	44	41
DK,NA	3	4	3	2	3	1	3	3	3	3	2	1	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	503	507	501	502	506	500	502	500	500	511	503	504	504

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 13 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR



CHART 13 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

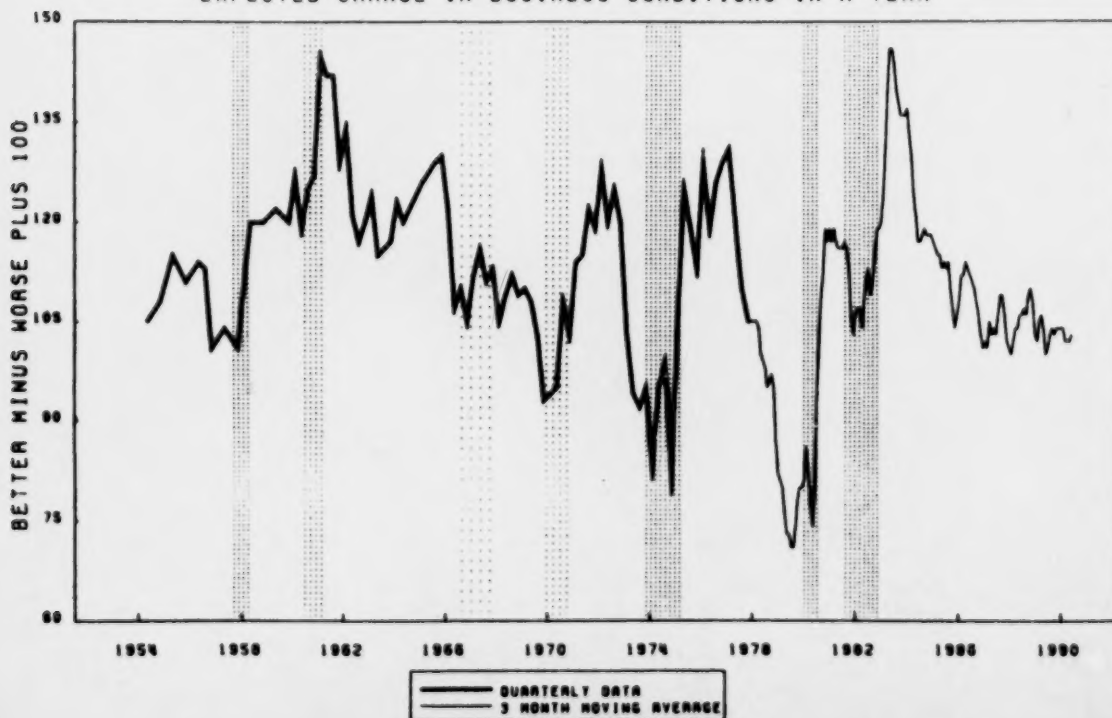


TABLE 13

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990
BETTER	19%	24%	20%	18%	21%	22%	18%	24%	22%	19%	22%	24%	18%
SAME	56	57	63	60	59	61	61	55	59	56	58	58	59
WORSE	22	17	14	19	16	15	18	18	17	23	18	17	20
DK,NA	3	2	3	3	4	2	3	3	2	2	2	1	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	503	507	501	502	506	500	502	500	500	511	503	504	504

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

CHART 14 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

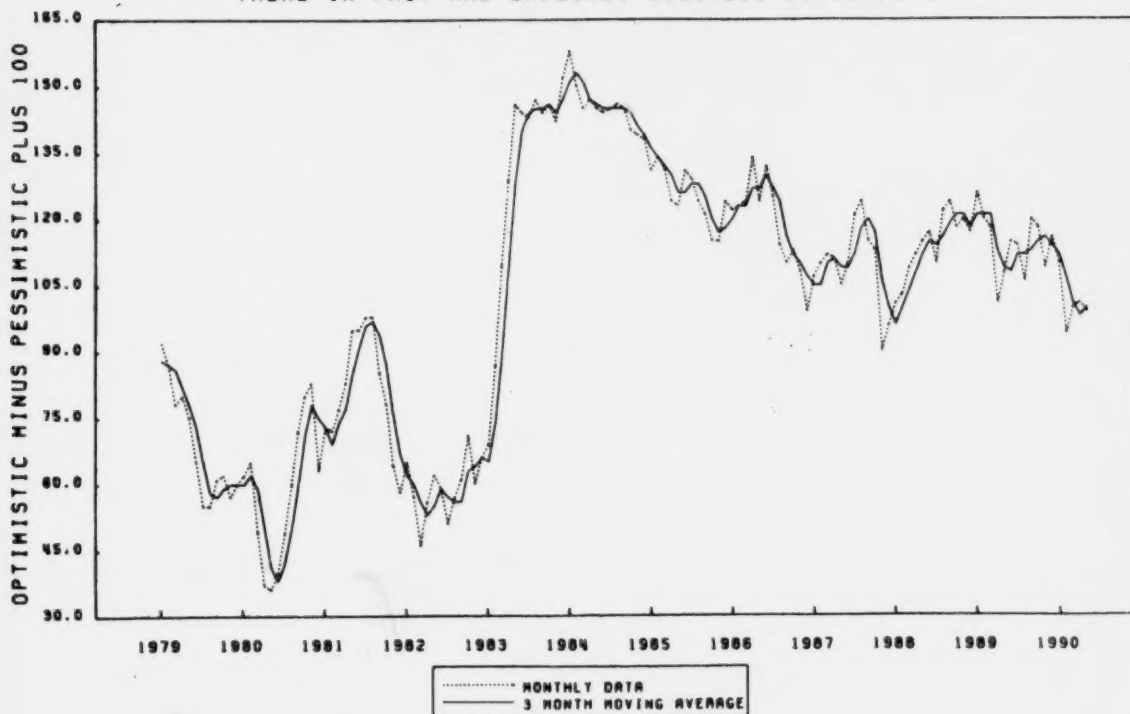


CHART 14 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

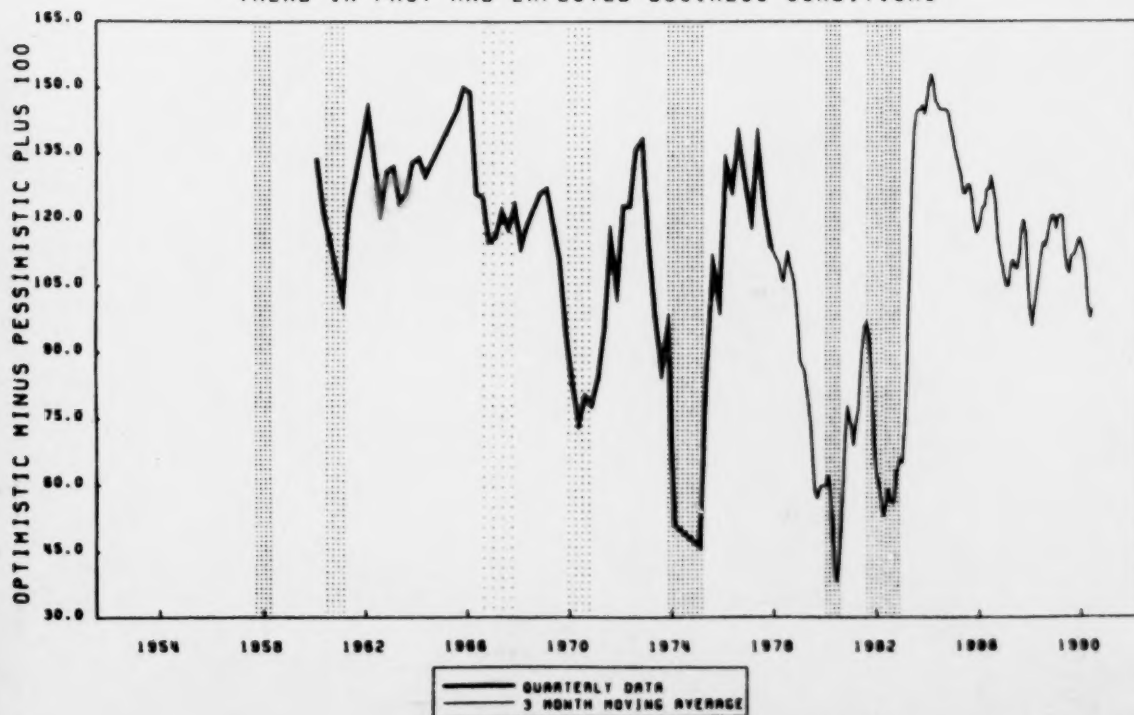


TABLE 14

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990
TREND:													
Continuous increase (a)	13%	15%	14%	11%	14%	15%	10%	15%	14%	11%	10%	13%	8%
Intermittent increase (b)	29	30	30	29	34	33	32	29	29	25	27	25	28
Remain unchanged (c)	12	12	16	14	12	13	13	13	12	10	12	12	12
Intermittent decline (d)	20	18	20	22	18	19	21	16	20	26	26	25	23
Continuous decline (e)	14	12	10	12	10	11	12	12	13	16	11	12	14
Mixed change (f)	7	6	4	7	6	5	6	10	8	8	10	11	9
DK,NA	5	7	6	5	6	4	6	5	4	4	4	2	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	503	507	501	502	506	500	502	500	500	511	503	504	504

Combination of the responses to the questions on Tables 12 and 13.

Key: (a) Better than a year ago/Better a year from now
 (b) Better/Same or Same/Better
 (c) Same/Same
 (d) Worse/Same or Same/Worse
 (e) Worse/Worse
 (f) Worse/Better or Better/Worse

CHART 15 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

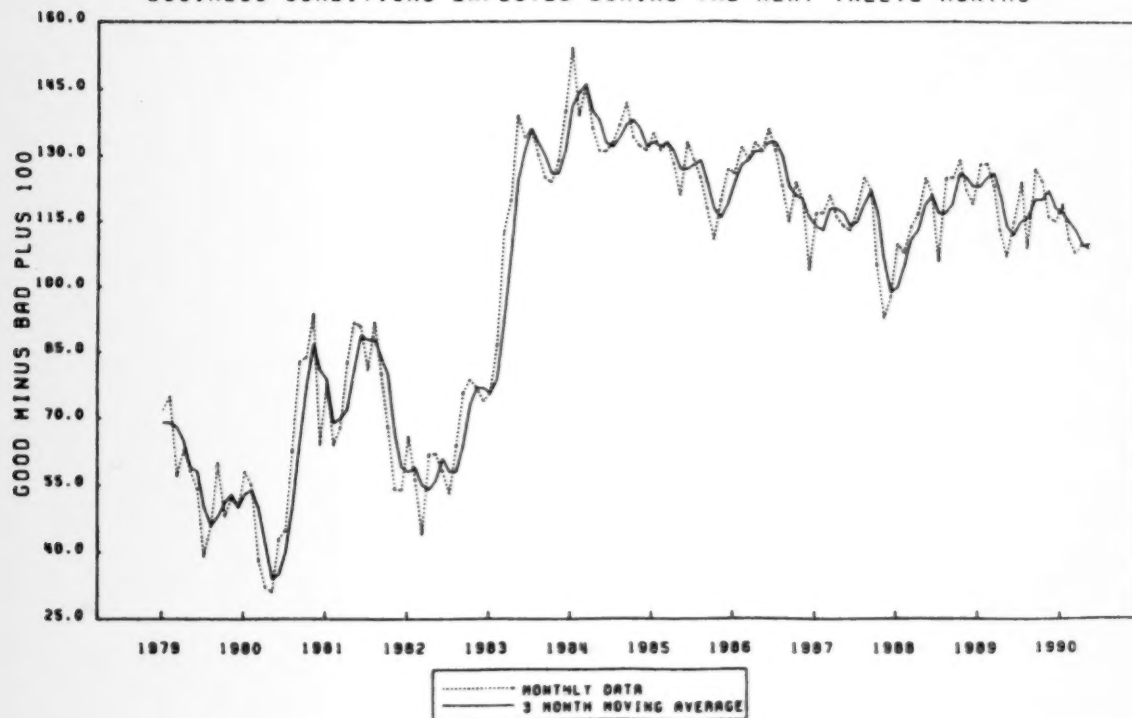


CHART 15 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

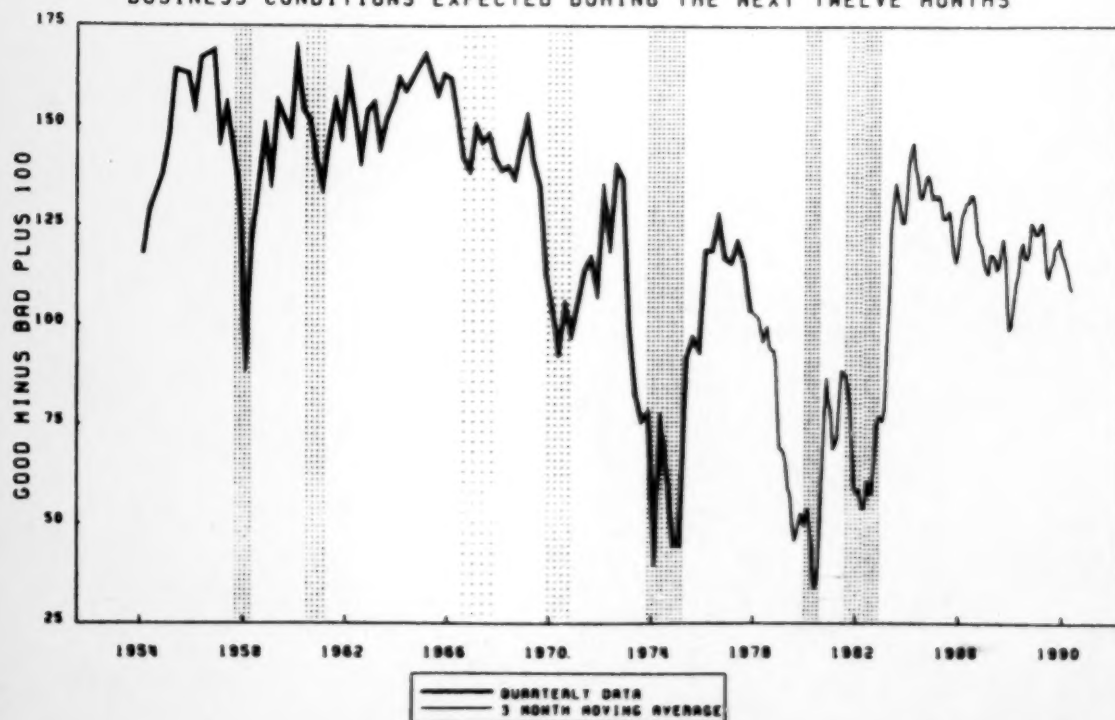


TABLE 15

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990
GOOD TIMES	46%	48%	53%	46%	55%	53%	50%	49%	52%	46%	48%	49%	47%
UNCERTAIN; GOOD & BAD	4	5	4	6	4	5	4	2	3	6	3	4	4
BAD TIMES	39	33	29	37	28	29	34	34	33	35	40	39	37
DON'T KNOW	6	9	7	4	6	8	7	7	6	7	5	4	6
NOT ASCERTAINED	5	5	7	7	7	5	5	8	6	6	4	4	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	503	507	501	502	506	500	502	500	500	511	503	504	504

The question was: "Now turning to business conditions in the country as a whole—do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 16 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS



CHART 16 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

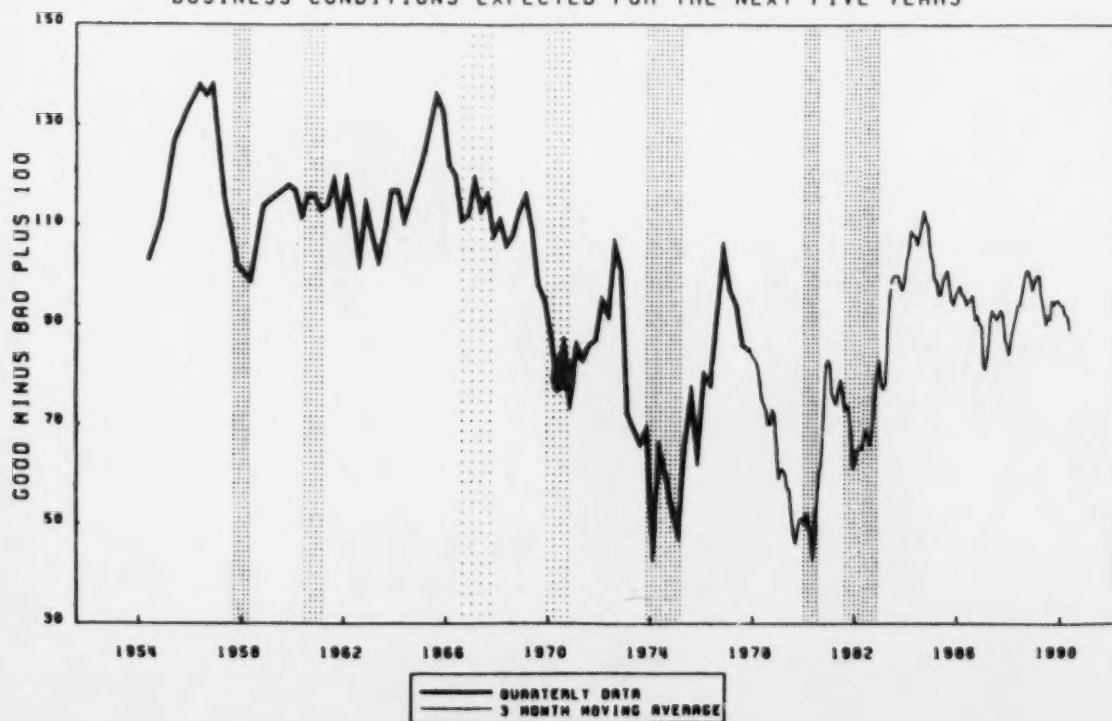


TABLE 16

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990
GOOD TIMES	36%	37%	39%	33%	41%	36%	38%	39%	37%	36%	40%	39%	32%
UNCERTAIN; GOOD & BAD	13	12	13	13	13	14	13	15	12	11	10	11	12
BAD TIMES	47	47	43	45	40	43	46	40	45	46	47	47	49
NOT ASCERTAINED	4	4	5	9	6	7	3	6	6	7	3	3	7
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	503	507	501	502	506	500	502	500	500	511	503	504	504

The question was: "Looking ahead, which would you say is more likely—that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 17 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

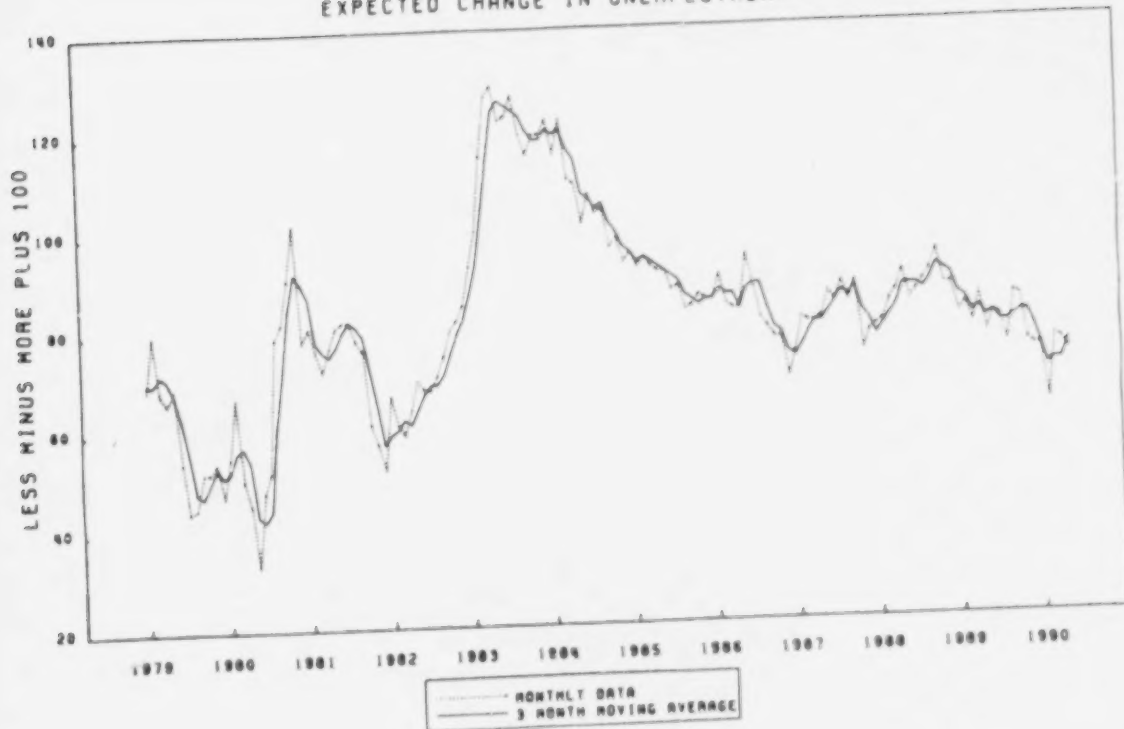


CHART 17 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

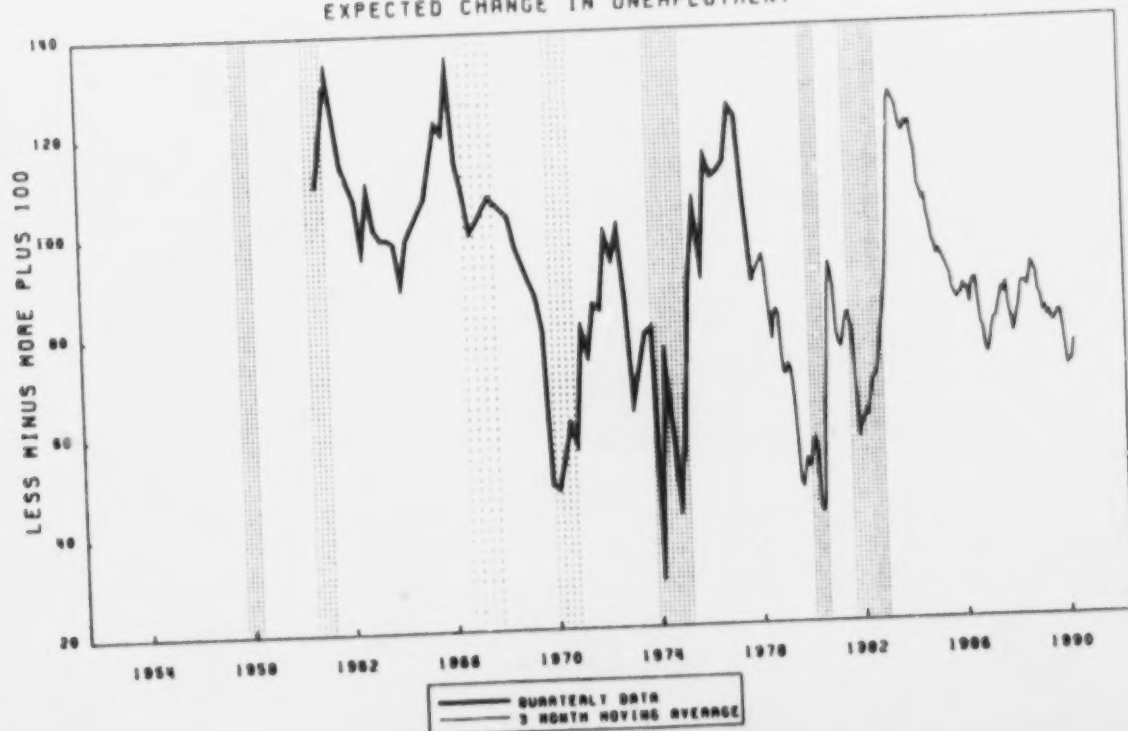


TABLE 17

EXPECTED CHANGE IN UNEMPLOYMENT

	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990
LESS	12%	10%	11%	10%	11%	14%	10%	11%	10%	7%	10%	11%	10%
SAME	52	59	57	54	61	55	54	51	52	48	55	52	52
MORE	35	29	31	35	26	30	35	37	36	44	34	36	37
DK, NA	1	2	1	1	2	1	1	1	2	1	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	503	507	501	502	506	500	502	500	500	511	503	504	504

The question was: "How about people out of work during the coming 12 months—do you think that there will be more unemployment than now, about the same, or less?"

CHART 18 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

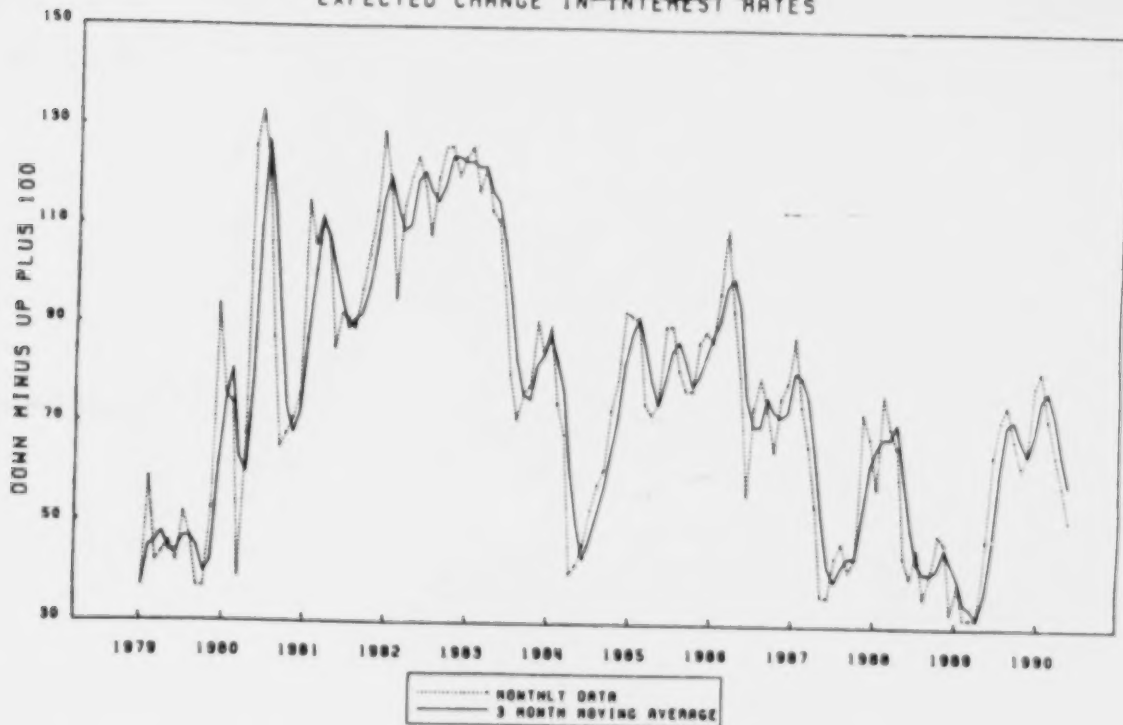


CHART 18 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

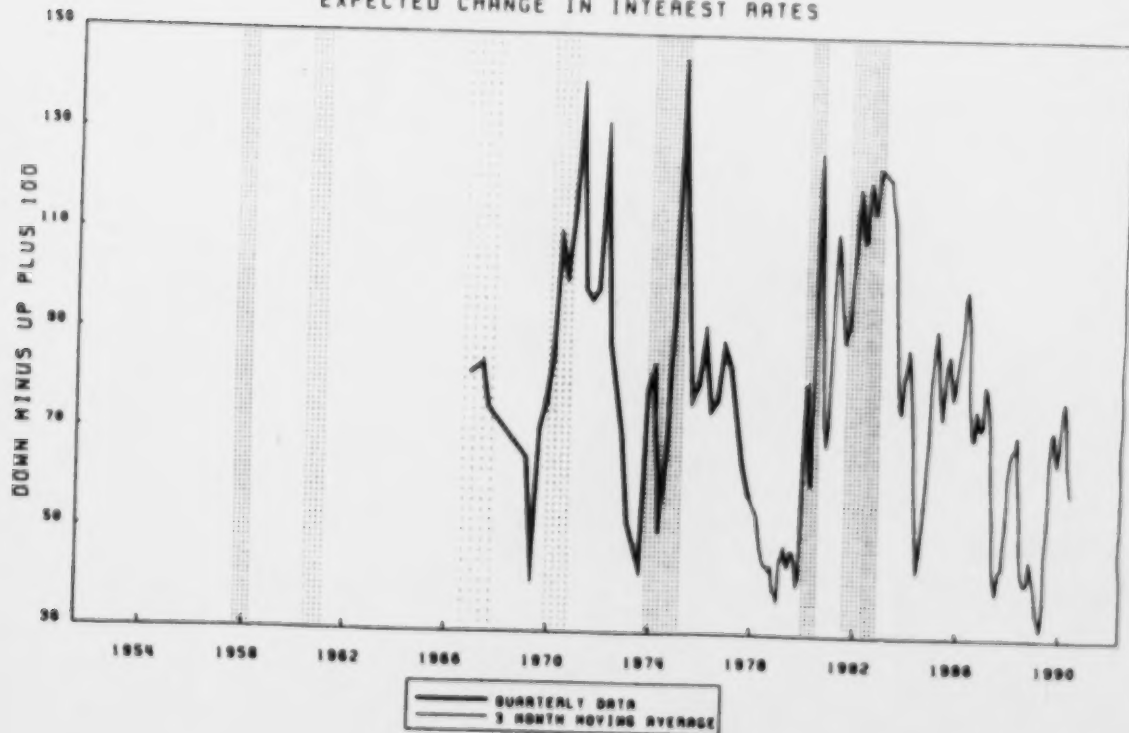


TABLE 18

EXPECTED CHANGE IN INTEREST RATES

	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990
GO UP	64%	54%	51%	49%	50%	55%	52%	46%	45%	48%	51%	55%	58%
STAY THE SAME	20	24	25	24	30	26	27	26	26	29	32	29	30
GO DOWN	12	19	23	24	18	17	18	25	27	20	16	14	10
DK,NA	4	3	1	3	2	2	3	3	2	3	1	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	503	507	501	502	506	500	502	500	500	511	503	504	504

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months—will they go up, stay the same, or go down?"

CHART 19 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS



CHART 19 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

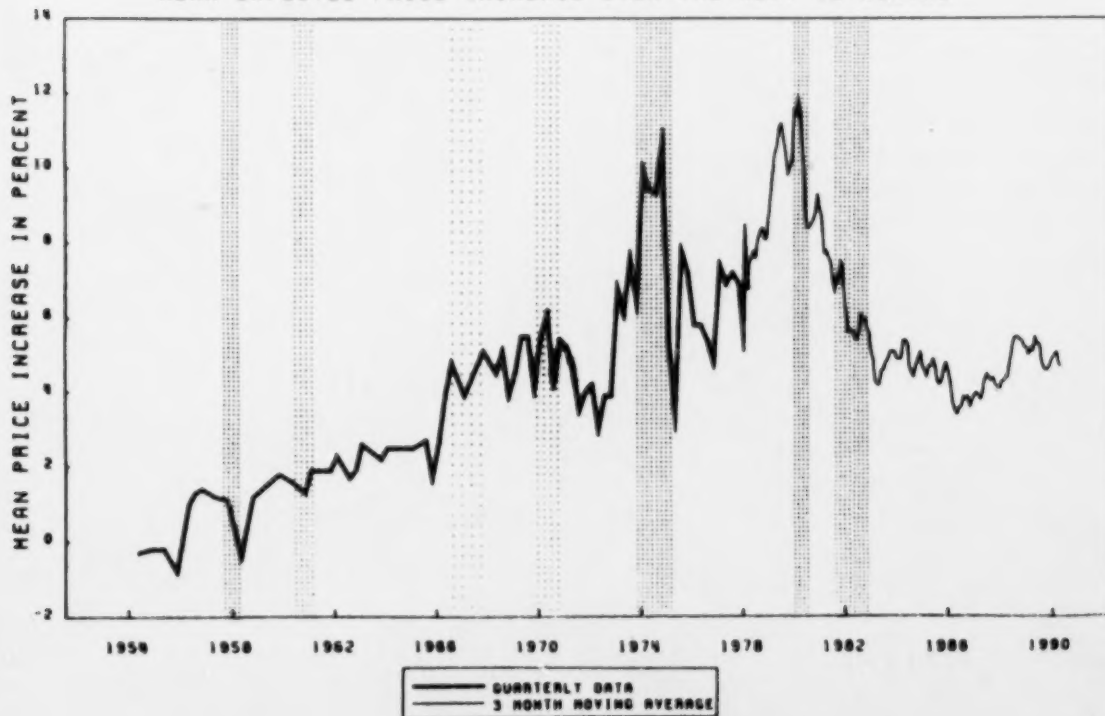


TABLE 19
EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990
SAME OR DOWN	10%	10%	10%	13%	13%	12%	12%	10%	11%	15%	11%	11%	11%
WILL GO UP BY:													
1-2%	16	18	18	18	21	19	17	21	14	13	18	20	19
3-4%	19	24	21	23	24	23	26	21	24	23	24	24	22
5%	23	19	22	21	21	19	19	23	21	22	20	22	22
6-9%	9	9	9	6	6	9	7	10	8	10	8	7	9
10-14%	11	10	8	9	6	8	8	5	10	8	8	7	8
15% or more	7	5	5	3	3	3	4	5	5	4	5	4	3
DK how much up	4	5	6	6	5	5	6	5	5	5	6	5	6
DK, NA	1	*	1	1	1	2	1	*	2	*	*	*	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	5.8	5.0	5.1	4.7	4.4	4.7	4.7	4.6	5.4	5.1	4.9	4.5	4.6
VARIANCE	49	34	39	42	32	32	31	28	49	45	38	26	30
CASES	503	507	501	502	506	500	502	500	500	511	503	504	504

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 20 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY



CHART 20 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

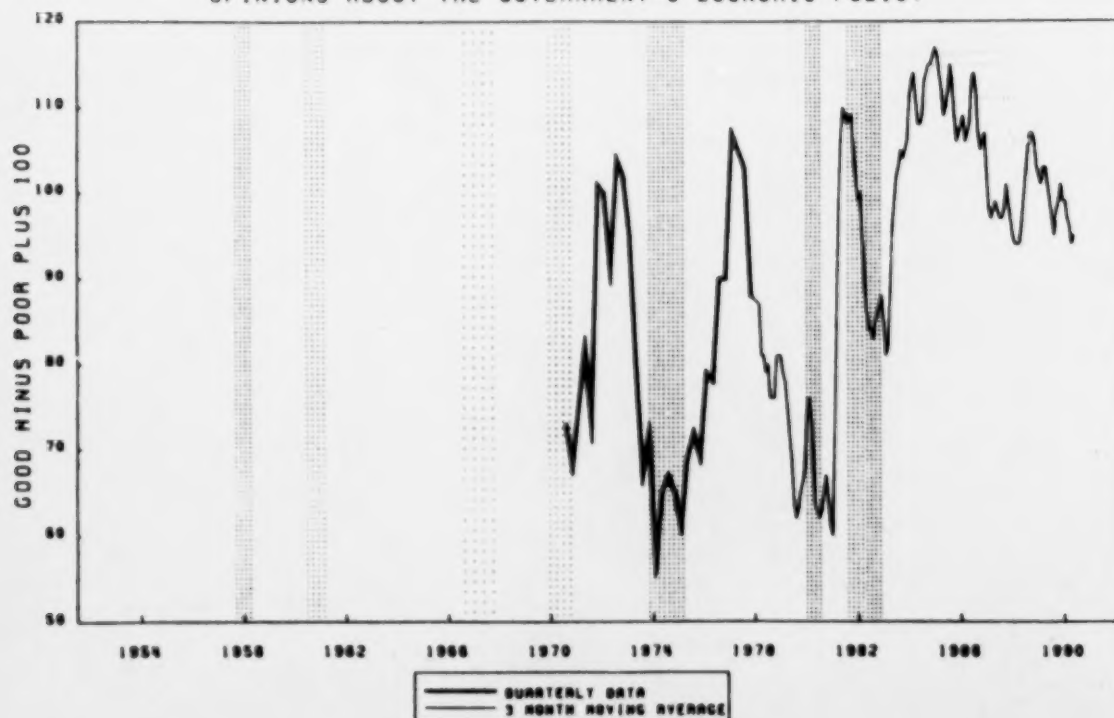


TABLE 20

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990
A GOOD JOB	19%	20%	18%	18%	21%	18%	17%	20%	18%	17%	19%	17%	19%
ONLY FAIR	57	55	56	56	60	61	64	55	63	57	56	59	55
A POOR JOB	21	23	23	24	17	19	17	23	17	25	23	23	23
DK,NA	3	2	3	2	2	2	2	2	2	1	2	1	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	503	507	501	502	506	500	502	500	500	511	503	504	504

The question was: "As to the economic policy of the government—I mean steps taken to fight inflation or unemployment—would you say the government is doing a good job, only fair, or a poor job?"

CHART 21 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

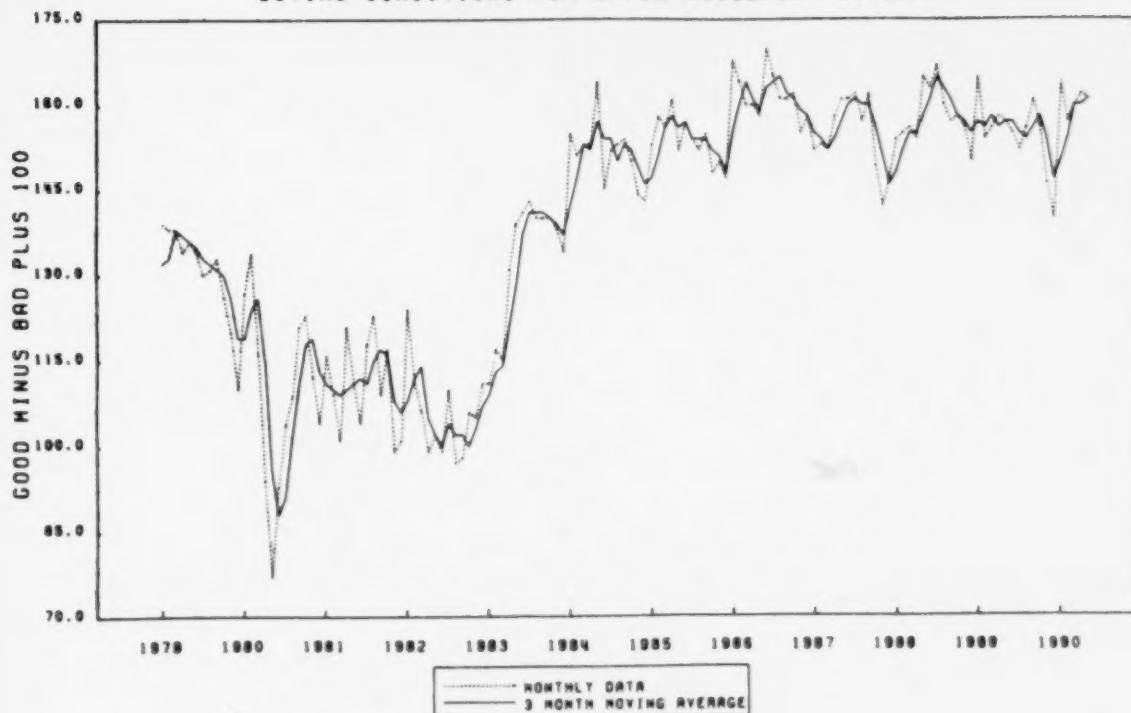


CHART 21 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

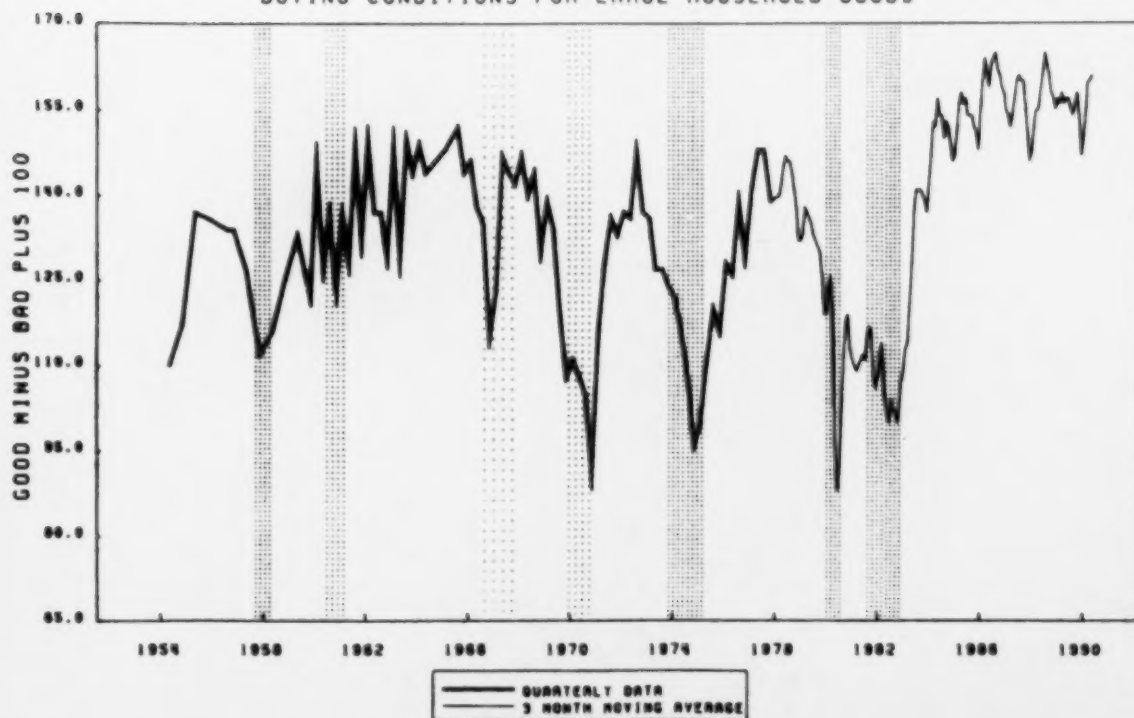


TABLE 21

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990
GOOD TIME TO BUY	73%	71%	71%	73%	75%	73%	67%	65%	77%	74%	76%	78%	75%
UNCERTAIN, DEPEND	11	13	10	10	11	10	12	10	10	9	8	6	11
BAD TIME TO BUY	16	16	19	17	14	17	21	25	13	17	16	16	14
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	503	507	501	502	506	500	502	500	500	511	503	504	504

The question was: "About the big things people buy for their homes—such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 22A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

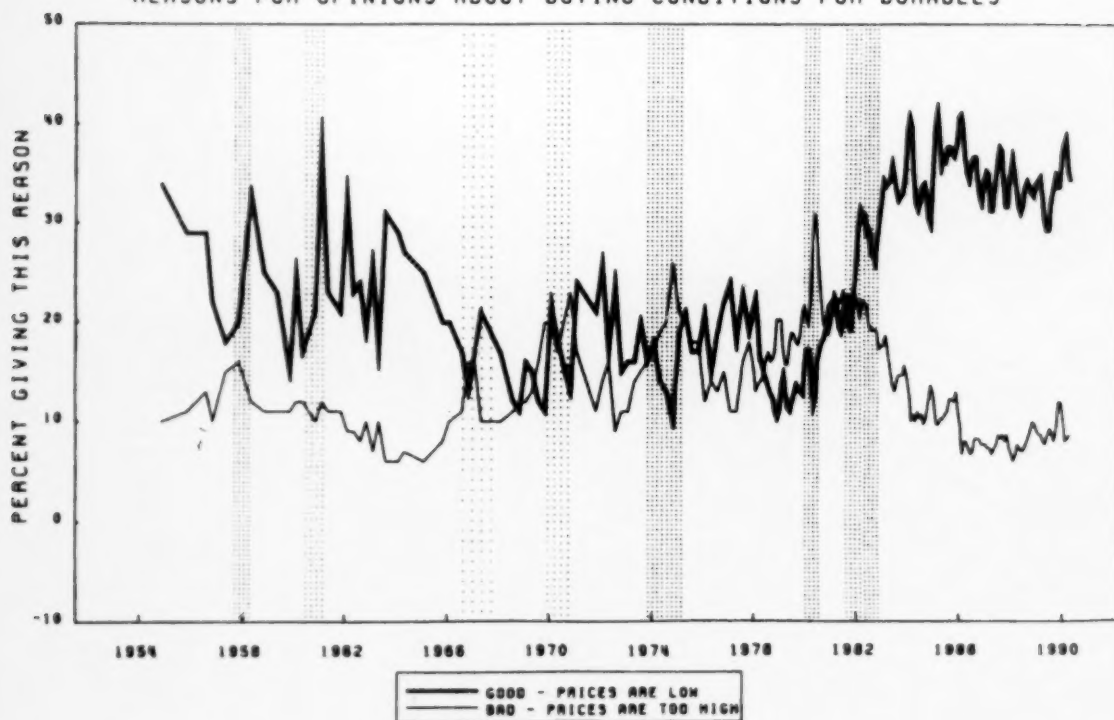


CHART 22B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

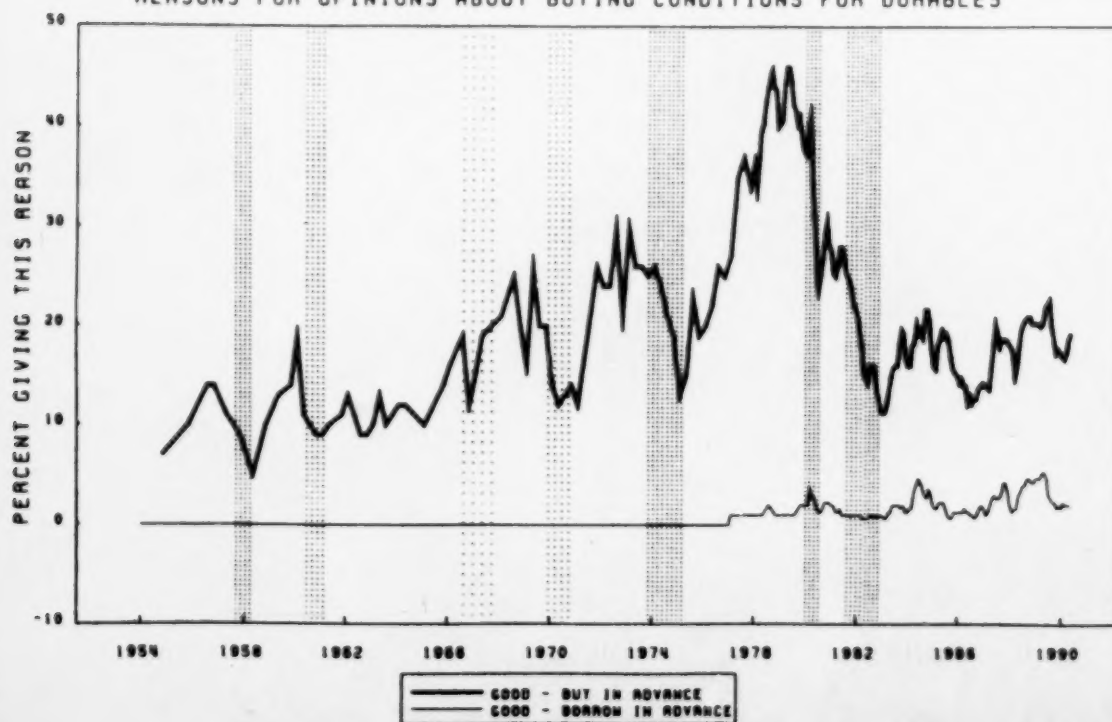


TABLE 22
SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990
GOOD TIME TO BUY:													
Prices are low; good buys available	27%	30%	31%	35%	34%	35%	32%	34%	45%	35%	36%	35%	32%
Prices won't come down; are going higher	24	21	23	16	17	19	17	16	18	16	18	22	18
Interest rates are low	5	5	7	7	7	5	7	5	5	5	8	5	5
Borrow-in-advance of rising interest rates	4	3	2	3	2	2	1	3	1	3	2	1	3
Times are good; prosperity	6	6	5	2	8	6	4	3	4	4	8	4	5
BAD TIME TO BUY:													
Prices are high	7	9	10	9	7	8	14	14	8	8	8	9	9
Interest rates are high; credit is tight	5	6	4	4	2	3	3	4	2	3	3	2	5
Times are bad; can't afford to buy	4	3	3	2	4	4	5	5	2	6	5	4	2
Bad times ahead; uncertain future	3	3	3	3	2	2	1	3	2	2	3	1	3

Responses to the query: "Why do you say so?" following the question on Table 21.
+ : May add to more than 100% due to multiple mentions.

CHART 22C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

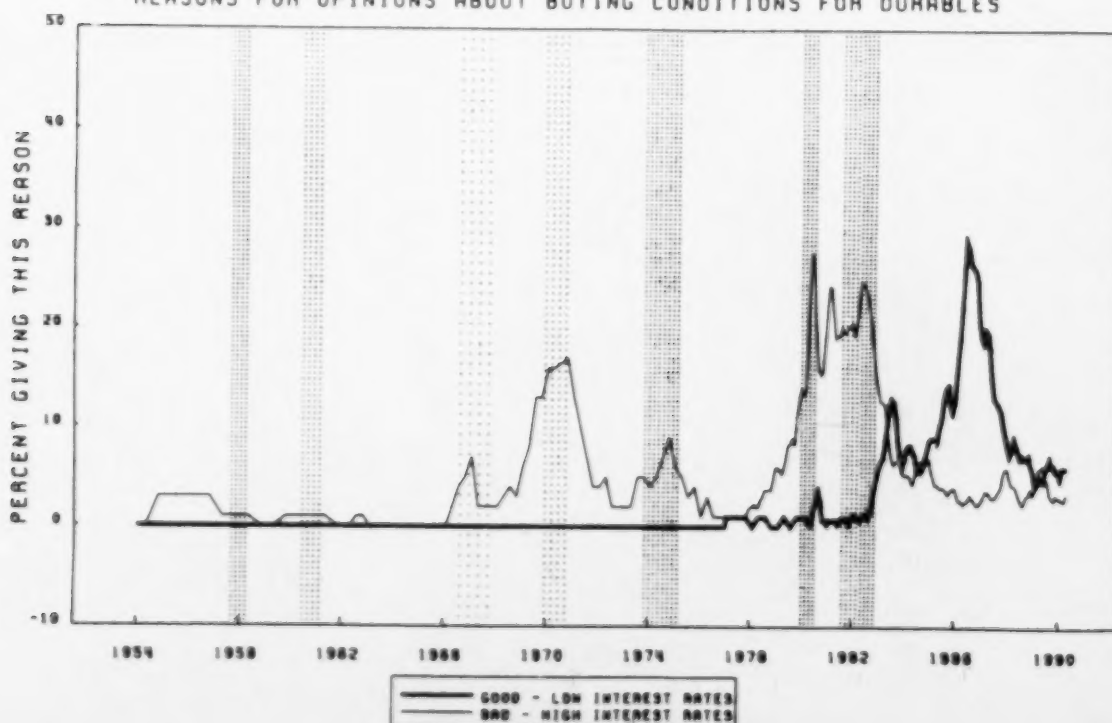


CHART 23 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

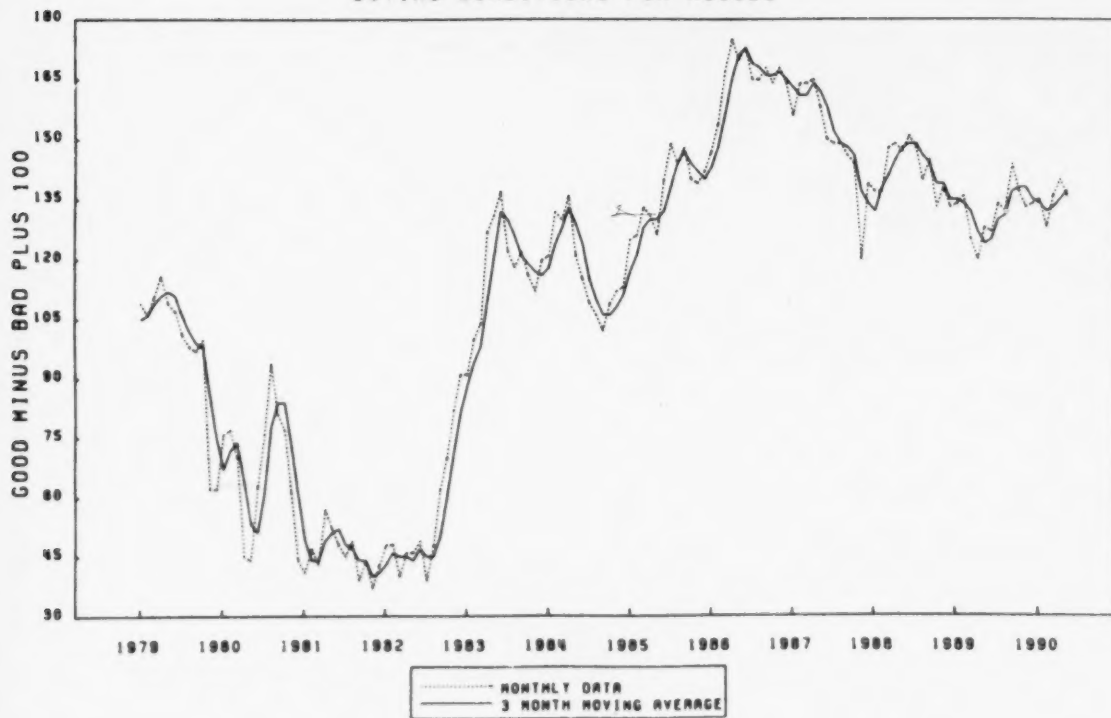


CHART 23 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

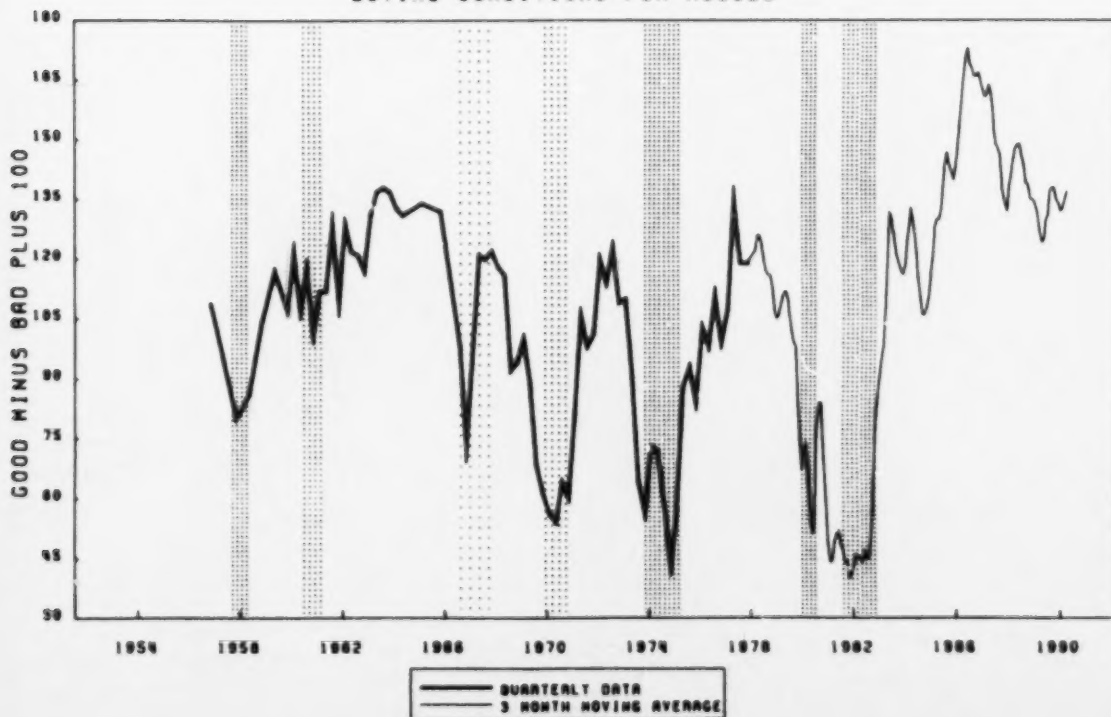


TABLE 23

BUYING CONDITIONS FOR HOUSES

	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990
GOOD TIME TO BUY:	61%	61%	64%	64%	70%	66%	63%	64%	64%	62%	66%	68%	66%
UNCERTAIN, DEPENDS	6	5	6	4	4	5	7	6	7	4	4	4	4
BAD TIME TO BUY	33	34	30	32	26	29	30	30	29	34	30	28	30
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	503	507	501	502	506	500	502	500	500	511	503	504	504

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 24A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

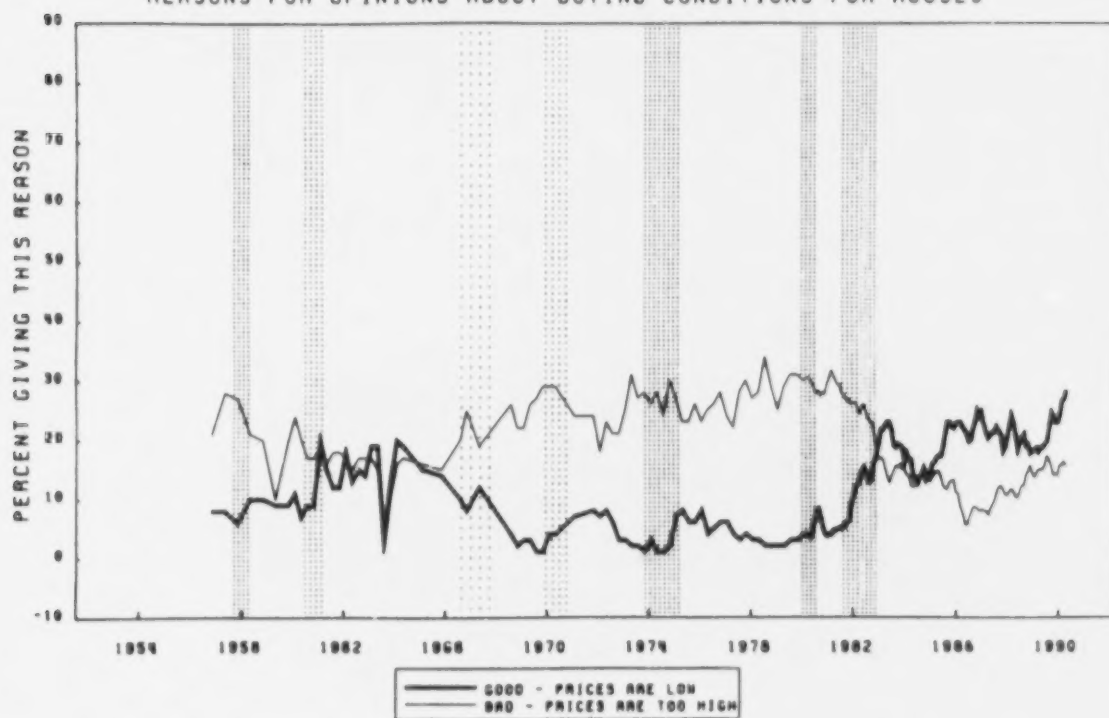


CHART 24B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

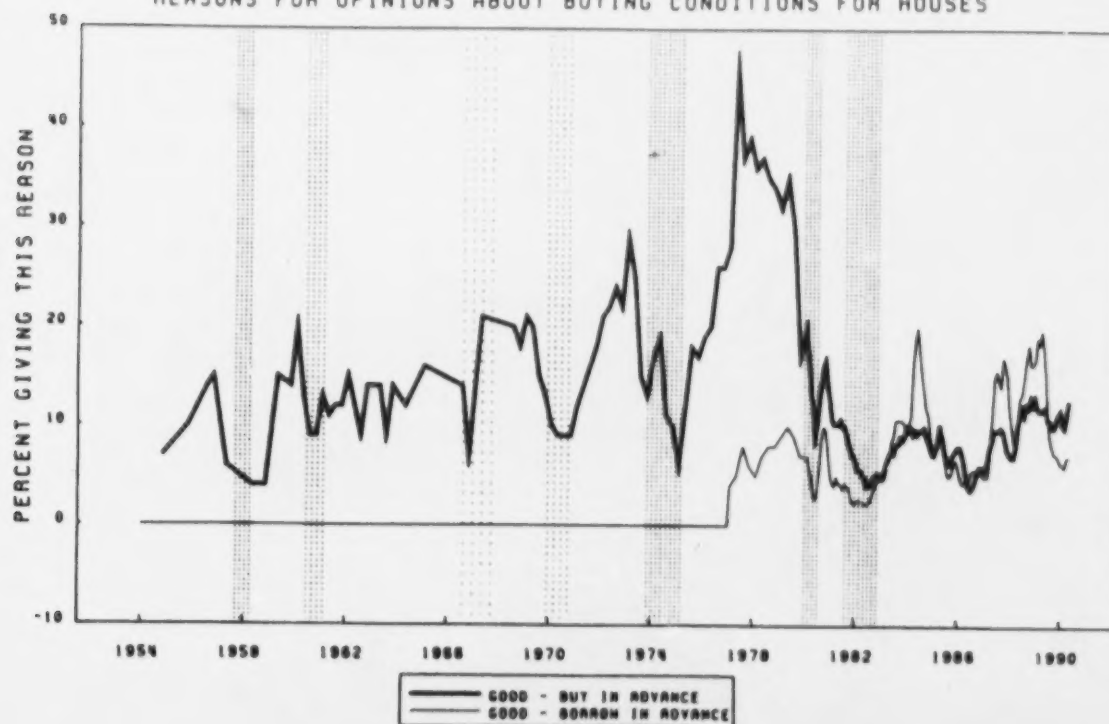


TABLE 24
SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990
GOOD TIME TO BUY:													
Prices are low; good buys available	22%	17%	19%	23%	25%	26%	21%	22%	26%	25%	29%	27%	29%
Prices won't come down; are going higher	11	12	9	11	10	9	13	12	10	9	11	14	13
Interest rates are low	16	22	27	28	36	29	29	26	31	25	28	25	17
Borrow-in-advance of rising interest rates	15	11	8	8	8	6	8	7	4	8	6	7	8
Good investment	8	9	8	6	7	6	8	8	8	6	6	9	7
Times are good; prosperity	4	3	5	3	4	5	2	3	2	3	4	5	4
BAD TIME TO BUY:													
Prices are high	13	16	18	18	14	15	13	15	14	18	15	16	16
Interest rates are high; credit is tight	25	23	15	15	14	13	15	17	13	18	18	14	14
Times are bad; can't afford to buy	6	5	6	6	6	6	8	6	6	8	5	7	6
Bad times ahead; uncertain future	3	2	2	2	2	1	2	3	4	2	4	1	2

Responses to the query: "Why do you say so?" following the question on Table 23.
+ : May add to more than 100% due to multiple mentions.

CHART 24C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

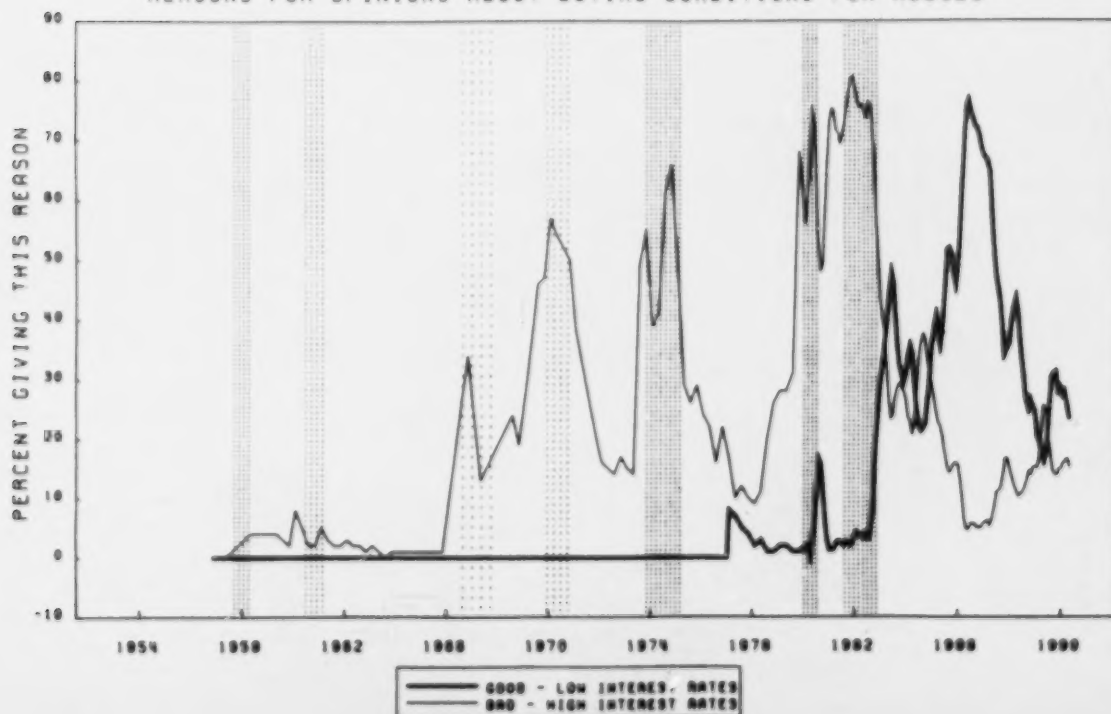


CHART 25 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

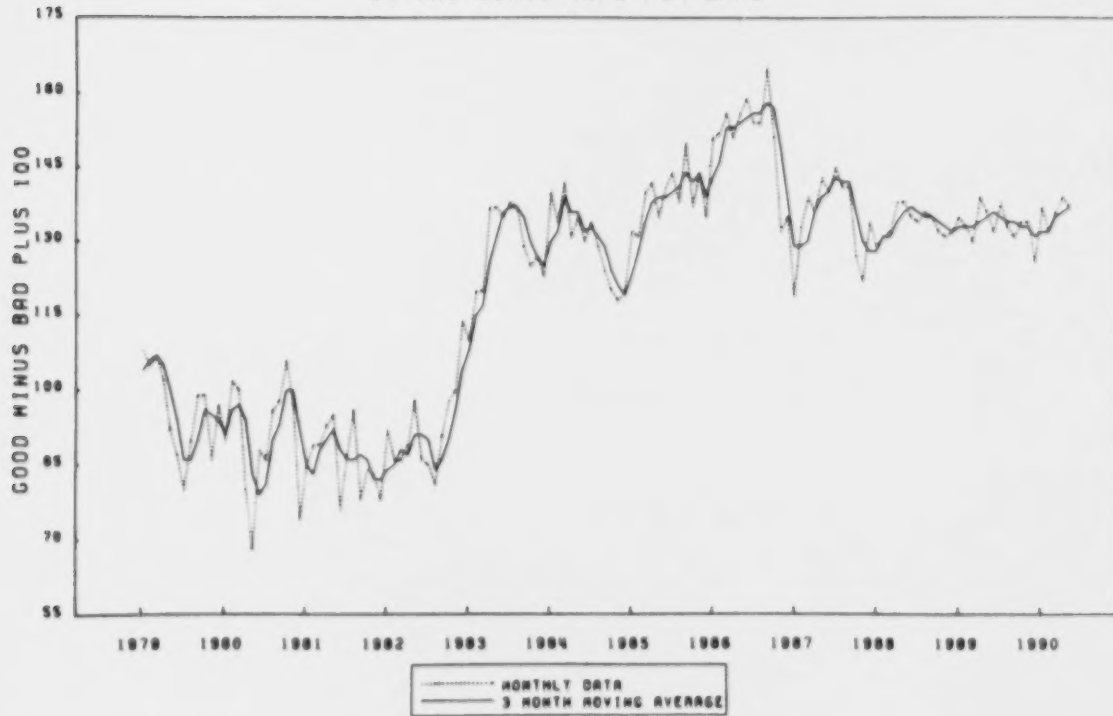


CHART 25 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

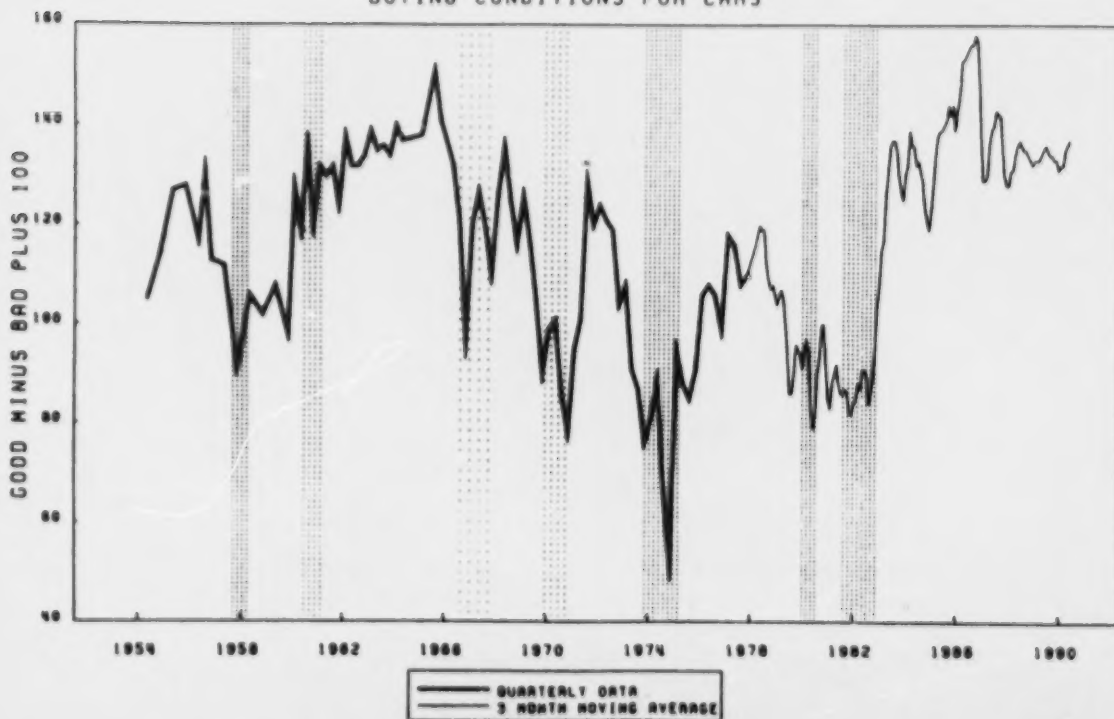


TABLE 25

BUYING CONDITIONS FOR CARS

	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990
GOOD TIME TO BUY	63%	61%	64%	61%	61%	62%	62%	58%	63%	63%	65%	66%	64%
UNCERTAIN; DEPENDS	10	10	10	11	9	10	10	10	11	6	6	7	9
BAD TIME TO BUY	27	29	26	28	30	28	28	32	26	31	29	27	27
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	503	507	501	502	506	500	502	500	500	511	503	504	504

The question was: "Speaking now of the automobile market—do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 26A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

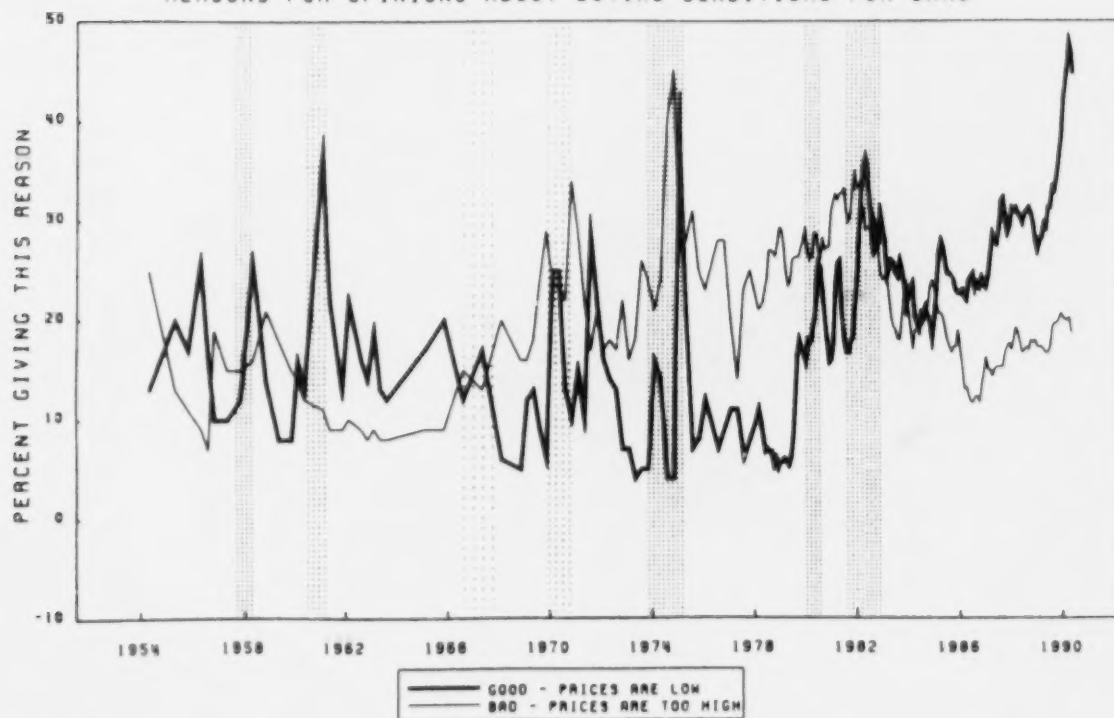


CHART 26B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

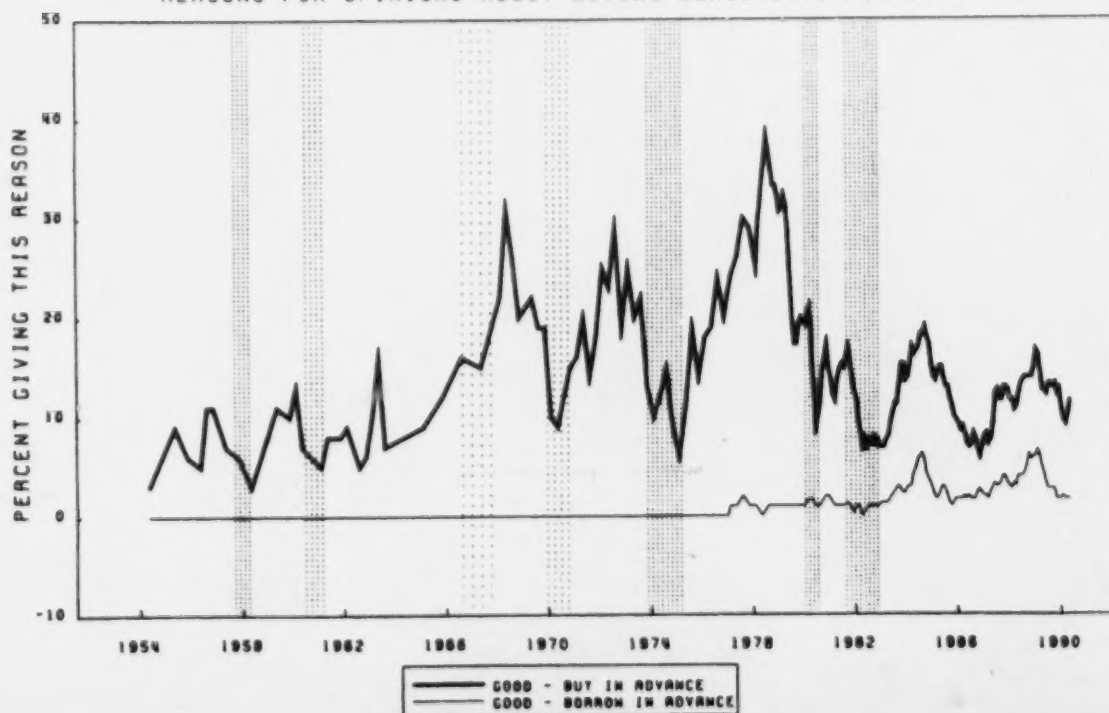
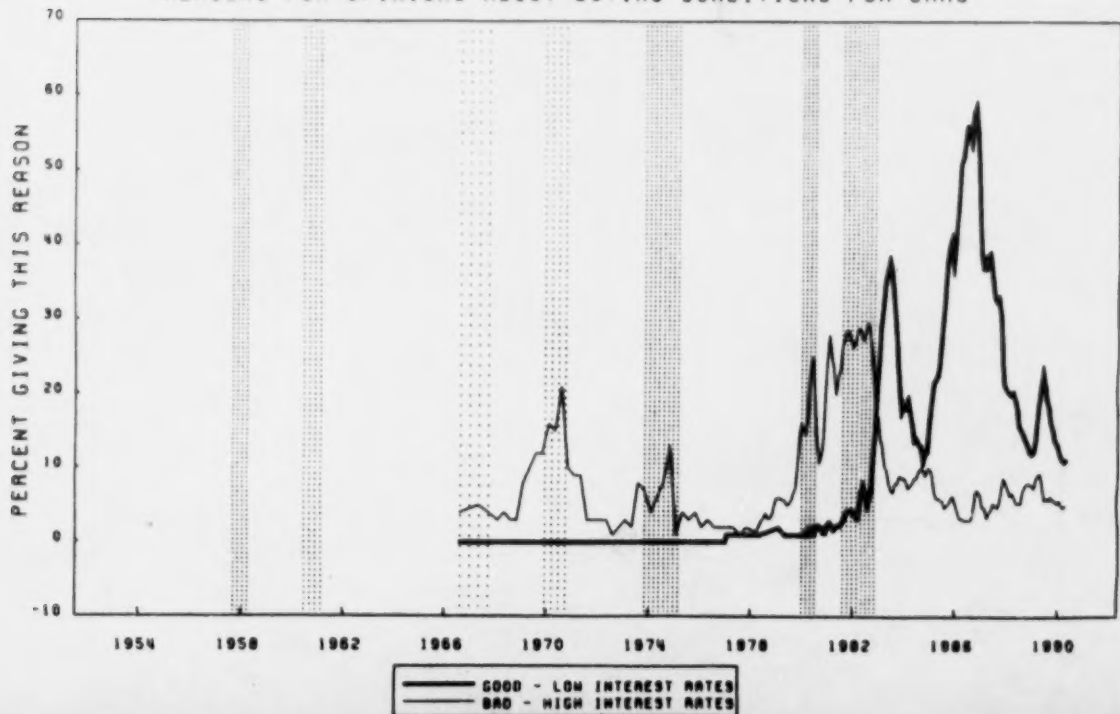


TABLE 26
SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	May 1989	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990
GOOD TIME TO BUY:													
Prices are low; good buys available	29%	33%	32%	35%	32%	36%	41%	38%	48%	48%	48%	45%	41%
Prices won't come down; are going higher	14	11	15	14	10	16	11	11	10	8	10	13	12
Interest rates are low	23	21	19	18	18	13	15	13	12	11	11	11	12
Borrow-in-advance of rising interest rates	4	2	2	4	2	2	1	2	2	2	1	2	2
Times are good; prosperity	3	2	3	2	4	3	2	1	2	2	2	2	1
BAD TIME TO BUY:													
Prices are high	16	18	18	22	19	18	23	21	17	22	21	18	17
Interest rates are high; credit is tight	6	7	4	7	6	6	5	6	5	6	4	4	7
Times are bad; can't afford to buy	4	3	2	2	5	4	4	4	2	4	4	4	2
Bad times ahead; uncertain future	2	1	1	2	1	2	1	1	2	2	2	2	2
Poor selection; quality	3	2	3	2	3	2	3	4	3	3	4	2	3

Responses to the query: "Why do you say so?" following the question on Table 25.
+ : May add to more than 100% due to multiple mentions.

CHART 26C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS



EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES

THE INDEX OF CONSUMER SENTIMENT

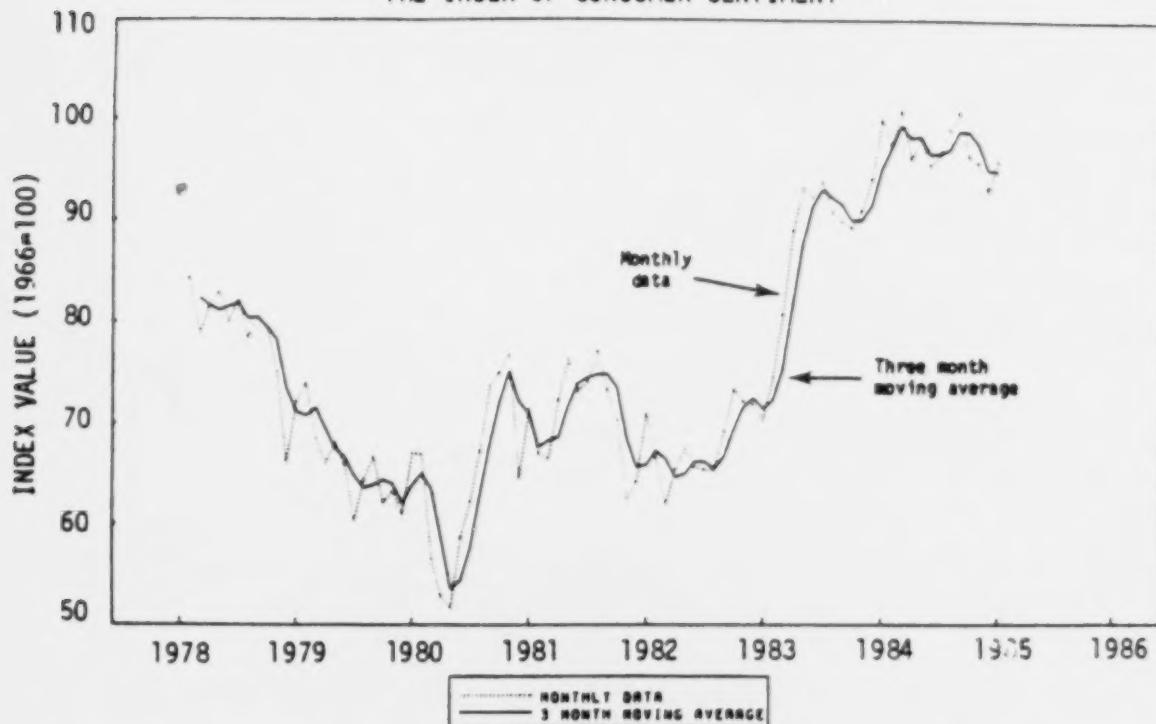
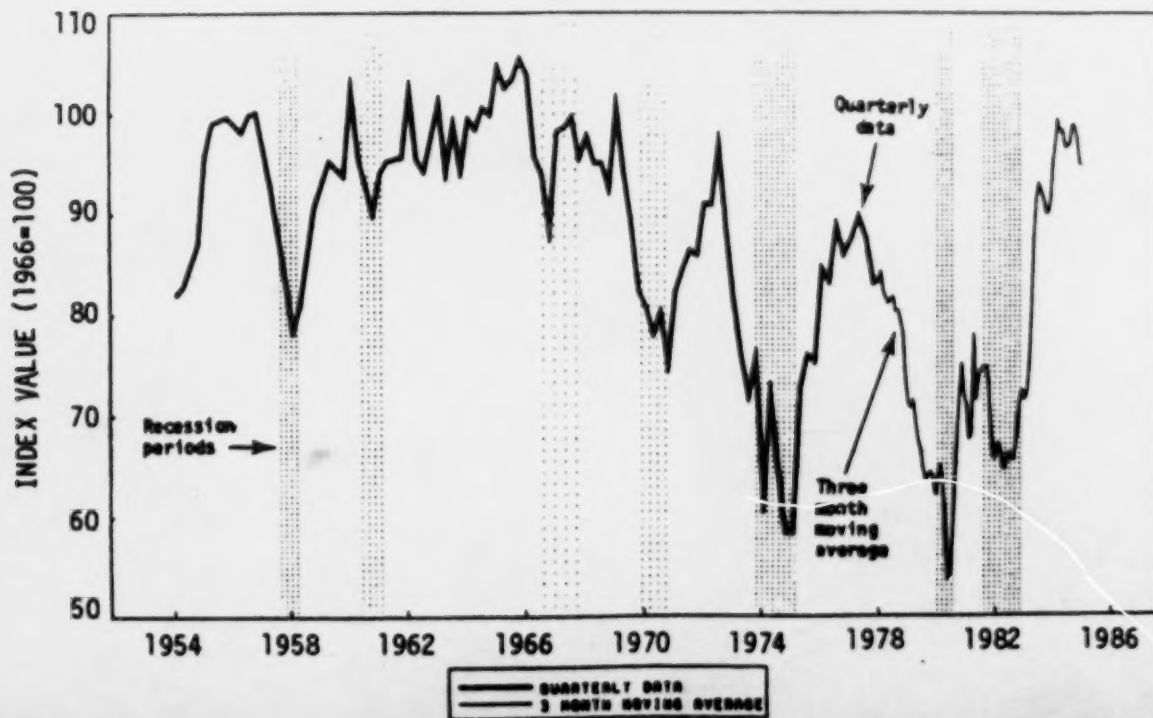


CHART 1 - HISTORICAL SERIES

THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHARTS

DATA POINTS

QUARTERLY DATA: Data collected by surveys conducted at three month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE-MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

TIME SCALE

Each tic mark on the time scale represents the month of January for the indicated year.

RECESSION PERIODS

November	1948 - October	1949
July	1953 - May	1954
August	1957 - April	1958
April	1960 - February	1961
June	1966 - November	1967*
December	1969 - November	1970
November	1973 - March	1975
January	1980 - July	1980
July	1981 - November	1982

Recession dates are determined by the National Bureau of Economic Research.

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters

***GROWTH RECESSION:** Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

RECOMMENDED ALLOWANCE FOR SAMPLING ERROR OF A PERCENTAGE
(Sampling Error Allowance in Percentage Points¹)

For Estimated Percentage Near	Number of Interviews											
	100	200	300	400	500	750	1000	1250	1500	2000	2500	3000
1% or 99%	2.2	1.6	1.3	1.1	1.0	0.8	0.7	0.6	0.6	0.5	0.4	0.4
5% or 95%	4.9	3.5	2.8	2.4	2.2	1.8	1.5	1.4	1.3	1.1	1.0	0.9
10% or 90%	6.7	4.8	3.9	3.4	3.0	2.4	2.1	1.9	1.7	1.5	1.3	1.2
20% or 80%	9.0	6.3	5.2	4.5	4.0	3.3	2.8	2.5	2.3	2.0	1.8	1.6
30% or 70%	10.3	7.3	5.9	5.1	4.6	3.7	3.2	2.9	2.6	2.3	2.0	1.9
40% or 60%	11.0	7.8	6.3	5.5	4.9	4.0	3.5	3.1	2.8	2.4	2.2	2.0
50%	11.2	7.9	6.5	5.6	5.0	4.1	3.5	3.2	2.9	2.5	2.2	2.0

¹The figures in this table represent two standard errors. Hence, the chances are 95 in 100 that the true percentage lies within a range equal to the observed percentage, plus or minus the sampling error.



Surveys of Consumers





June 1990 Monthly Survey

July 6, 1990

Surveys of Consumers

Richard T. Curtin, *Director*

RIISING CONCERNS OVER SLUGGISH EXPANSION: "IT AIN'T OVER TILL ITS OVER"

Sentiment Weakens

The Index of Consumer Sentiment fell to 88.3 in the June 1990 survey, from 90.6 one month earlier and 93.9 two months earlier. While this represents a significant decline during the past three months, the Index averaged 90.9 for the second quarter of 1990 as a whole, identical to the level recorded in the second quarter of 1989.

The June reading was the lowest level recorded since late 1987, and the lowest since the start of the expansion—if the brief decline following the stock market crash is excluded. But the overall decline has been very modest, with the June figure of 88.3 just 3.2 Index-points below the average recorded during the past five quarters.

The recent declines reflect unusually sharp divergences: Sentiment was significantly weaker in the Northeast and South than other regions. Moreover, the primary focus of attention has been almost exclusively on generalized concerns over lagging growth prospects for the economy, while personal financial prospects have shown little change.

While consumers have become very concerned about the sluggish performance of the economy, they do not yet expect the economy to slip into a full-scale recession.

Among households with incomes of \$30,000 or more, the Index of Consumer Sentiment rose slightly to 97.9 in the June 1990 survey, from 97.1 one month earlier and 95.2 one year earlier.

Significant Regional Differences

In the June survey, sentiment readings among residents of the Northeast and Southern regions were comparable and significantly below the levels in the Western and North Central states. Residents of the Northeast again recorded the lowest sentiment reading in the June survey (84.6), but it was only marginally below the level recorded in the South (85.5). This convergence resulted from gains in the Northeast and declines in the South over the past two months. In contrast, sentiment remained relatively high among residents of the Western (92.3) and North Central (92.1) states, although both regions registered declines in the June survey.

Leading Indicator Declines

The Index of Consumer Expectations, a component of the Index of Leading Indicators, fell to 76.6 in the June 1990 survey from 79.3 in May and 83.9 in April. Excluding the brief dip in late 1987 caused by the stock market crash, the June level was the lowest recorded since the start of 1983. The current reading is fully 20 Index-points below the cyclical peak of 97.0 recorded at the start of 1984, but still over 30 Index-points above the last cyclical trough of 44.3 recorded in 1980.

Nearly the entire decline from the cyclical peak in the Expectations Index can be attributed to less favorable prospects for the general economy. Consumers' assessments of their own personal financial prospects have remained at relatively

positive levels throughout the expansion.

Personal Finances Remain Positive

Among all families in the June 1990 survey, 43 percent reported that their financial situation had improved during the past year, unchanged from one month earlier and somewhat above the 38 percent recorded one year earlier. When asked to explain how their financial situation had changed, more frequent reports of income gains (34, up from 29 percent in May) were offset by more frequent complaints about rising prices (15, up from 11 percent).

Consumers continued to view their financial prospects for the year ahead in favorable terms, although these prospects have weakened in recent months. Among all families in the June survey, 36 percent expected their financial situation to improve during the year ahead, between the 38 percent recorded one month earlier and the 34 percent recorded one year earlier. Most families expected their financial situation to remain the same, considering expected changes in both incomes and prices. This expectation of an unchanged financial situation was reported by half of all families in the June survey. In contrast, just 11 percent expected their financial situation to worsen during the year ahead.

Stagnant Outlook For the Economy

Consumers' perceptions of current conditions in the national economy remained negative in the June survey, as they have for the past five months. Among all families, 43 percent thought that business conditions had worsened during the past year, compared with 37 percent that thought they had improved. This unfavorable balance of opinion has remained largely unchanged since February, and represents a sharp reversal to the favorable balance of opinion recorded a year earlier (45 versus 33 percent in June 1989).

The performance of the national economy was expected to remain on its same sluggish course during the year ahead by the majority of families in the June 1990 survey (58 percent). The balance of families were equally split between those that expected the economy to improve (20 percent) and those that expected it to worsen (20 percent).

In the June 1990 survey, as many families expected good as bad times financially (43 percent) in the country as a whole during the year ahead. This represents a significant decline from the positive expectations recorded in May, when good times were expected by 47 percent compared with 37 percent that expected bad times financially. Excluding the crash-depressed November and December 1987 surveys, the June reading is the most negative recorded since the current expansion began.

Interest Rates

Interest rate expectations improved slightly in the June 1990 survey, for the first time since the start of the year. Among all families in the June survey, 18 percent expected interest rates to decline during the year ahead, up from 10 percent in May. Overall, interest rate expectations remained unfavorable, however, as 56 percent expected increases in the June survey.

Unemployment

The national unemployment rate was expected to increase by 39 percent of all families in the June 1990 survey, up from 37 percent one month earlier, and 29 percent one year earlier.

Inflation Expectations

Consumers expected the rate of inflation during the year ahead to average 4.9% in the June 1990 survey, up from 4.6% one month earlier, and nearly regaining the 5.0% recorded one year earlier.

Confidence in Government Economic Policies Declines

Confidence in government economic policies to combat inflation and unemployment slipped in the June 1990 survey to the lowest level recorded during the current expansion. Among all families, unfavorable ratings exceeded favorable ratings by the margin of 26 to 16 percent.

In past downturns, the perception by consumers that government policies would further slow economic activity rather than counteract developing weaknesses has played a significant role in accelerating declines. At present, the decline in confidence in economic policies reflect more of a generalized concern with the responsiveness of current policies to the persistent sluggishness in the economy. The recent admission by the Bush administration of the possibility of tax increases, if reinforced and confirmed in coming months, would provide a much more explicit signal, especially given the already weakened prospects for the economy.

Buying Conditions

Buying attitudes registered a slight overall decline during the past few months, but on balance remained at favorable levels.

Homes. Favorable views of home buying conditions were held by 65 percent of all families in the June 1990 survey, just below the 66 percent recorded one month earlier. Lower home prices continue to be the dominant reason given by consumers for these favorable views of home buying conditions. In the June 1990 survey, 28 percent mentioned lower home prices when asked to explain their view, just below the all-time record of 29 percent recorded both one month and three months earlier.

That home prices are lower is certainly seen as an advantage for the buyer. Most home buyers, however, are also home sellers, and the price declines also represent a disadvantage. It has been suggested that a decline in the value of both the home they own and the one they wish to purchase

would leave home buyers in an unchanged situation. While the economic equivalence may hold, there is little reason to expect an equivalence on a psychological basis. The importance attached to the decline in the value of their current home is much greater than the weight given to price declines in homes they might purchase.

This situation is somewhat similar to consumer reactions to COLA adjusted incomes: the income gains were often viewed as justified by individual effort and the price increases viewed as unwarranted dilutions of these hard won gains.

Vehicles. Favorable attitudes toward buying conditions for vehicles were held by 63 percent of all families in the June 1990 survey, just between the 64 percent recorded one month earlier and the 61 percent recorded one year earlier.

The availability of price discounts continue to be the mainstay of these favorable attitudes. References to price discounts were made by 41 percent of all families in the June survey, unchanged from one month earlier, but below the three month earlier reading of 48 percent. References to discounted interest rates on vehicle purchases have increased slightly in the past few months (14 percent in June from 11 percent three months earlier), but remained well below the year earlier reading (21 percent).

Household Durables. Favorable attitudes toward buying conditions for furniture, appliances, and other large household durables were held by 75 percent of all families in the June 1990 survey, unchanged from one month earlier. These favorable buying attitudes are dependent on the availability of price discounts.

* * *

The June 1990 survey included 500 completed interviews conducted between June 1 and June 27, 1990.

SURVEYS OF CONSUMERS

JUNE 1990

The June 1990 survey was the 263rd in a series of Surveys of Consumers conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results for the total sample will differ by no more than 5 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

While every effort is made to accurately measure consumer attitudes and expectations, factors other than sampling may also affect the accuracy of these (and other) findings. These factors may include effects of the question wording, the ability of respondents to articulate answers and opinions, refusal to participate in the survey, and incomplete coverage of the population. There are no standard measures of these effects, but their presence should be acknowledged when using these and all other survey data. While measurement effects are present in all surveys, a noted advantage of time-series data is that the non-sampling influences remain relatively constant across samples.

TABLE OF CONTENTS

TABLE	TITLE
1.	The Index of Consumer Sentiment
2.	Index of Consumer Sentiment within Region and Age Subgroups
3.	Components of the Index of Consumer Sentiment
4.	Current Financial Situation Compared to a Year Ago
5.	Selected Reasons for Opinions About Personal Financial Situation
6.	Expected Change in Financial Situation
7.	Trend in Personal Financial Situation
8.	Expected Family Income Change During the Next 12 Months
9.	Expected Change in Real Family Income
10.	News Heard of Recent Changes in Business Conditions
11.	Selected Items of News Heard of Recent Changes in Business Conditions
12.	Current Business Conditions Compared to a Year Ago
13.	Expected Change in Business Conditions in a Year
14.	Trend in Past and Expected Changes in Business Conditions
15.	Business Conditions Expected During the Next 12 Months
16.	Business Conditions Expected During the Next 5 Years
17.	Expected Change in Unemployment
18.	Expected Change in Interest Rates
19.	Expected Change in Prices During the Next 12 Months
20.	Opinions About the Government's Economic Policy
21.	Buying Conditions for Large Household Goods
22.	Selected Reasons About Buying Conditions for Large Household Goods
23.	Buying Conditions for Houses
24.	Selected Reasons for Opinions About Buying Conditions for Houses
25.	Buying Conditions for Cars
26.	Selected Reasons for Opinions About Buying Conditions for Cars

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

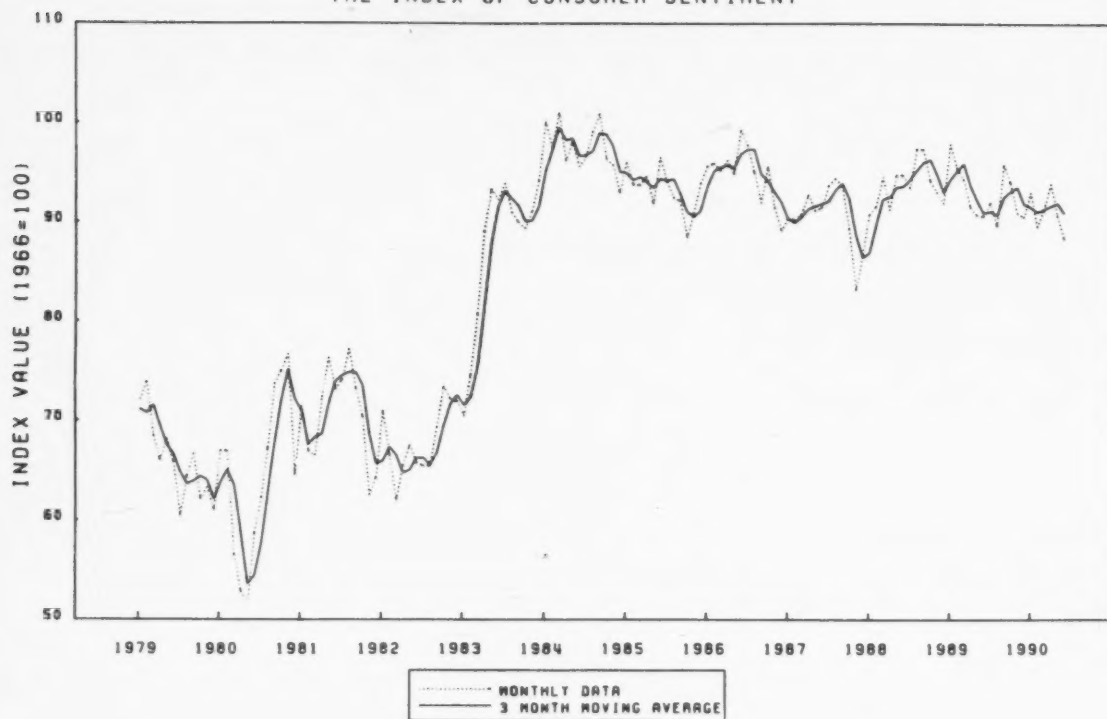


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

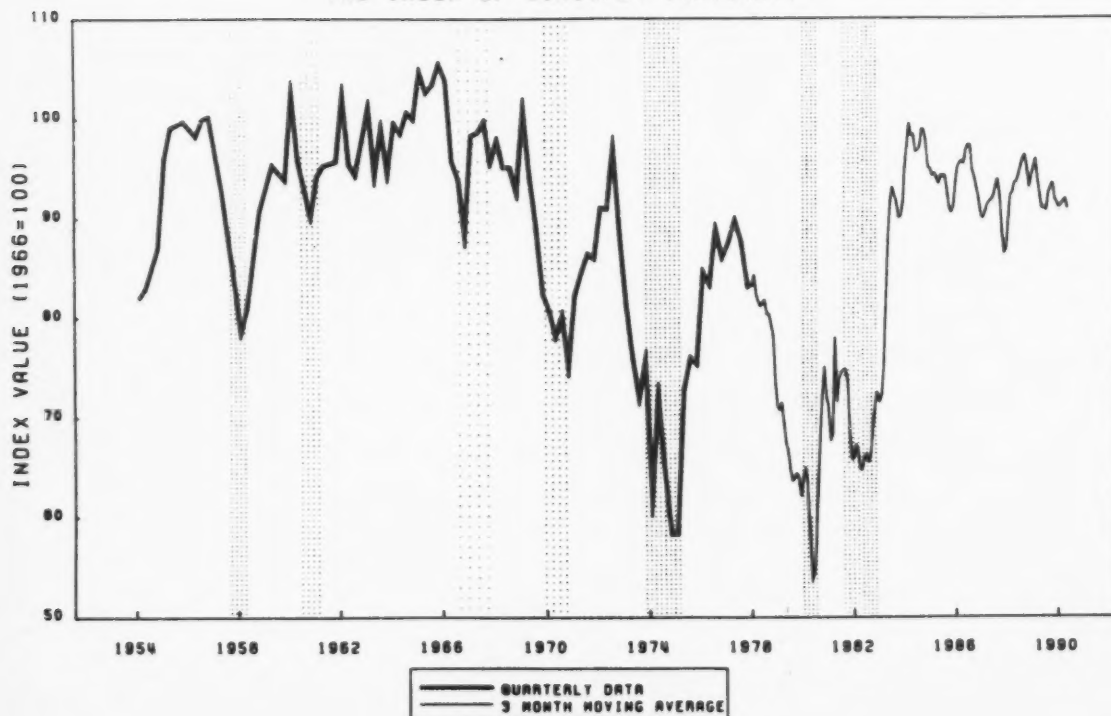


TABLE 1
THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	All families	Families with incomes over \$30,000	Families with incomes over \$40,000
June 1987	91.5	102.9	102.9
July 1987	93.7	102.5	104.0
August 1987	94.4	104.4	109.1
September 1987	93.6	100.6	104.3
October 1987	89.3	99.9	101.8
November 1987	83.1	87.7	90.5
December 1987	86.8	94.5	96.1
January 1988	90.8	99.0	99.9
February 1988	91.6	98.1	100.8
March 1988	94.6	103.7	104.6
April 1988	91.2	99.1	99.6
May 1988	94.8	106.6	108.3
June 1988	94.7	102.3	102.7
July 1988	93.4	100.5	103.9
August 1988	97.4	105.1	104.2
September 1988	97.3	102.8	105.4
October 1988	94.1	103.0	103.7
November 1988	93.0	102.0	101.0
December 1988	91.9	97.0	99.5
January 1989	97.9	108.4	106.8
February 1989	95.4	104.6	109.6
March 1989	94.3	98.6	100.0
April 1989	91.5	99.1	99.8
May 1989	90.7	100.6	100.3
June 1989	90.6	95.2	95.4
July 1989	92.0	103.2	101.9
August 1989	89.6	93.5	93.1
September 1989	95.8	104.1	103.0
October 1989	93.9	100.2	103.6
November 1989	90.9	99.4	100.5
December 1989	90.5	100.0	104.1
January 1990	93.0	99.9	103.2
February 1990	89.5	93.9	91.8
March 1990	91.3	98.4	98.8
April 1990	93.9	99.8	103.3
May 1990	90.6	97.1	98.6
June 1990	88.3	97.9	99.1

CHART 2A - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

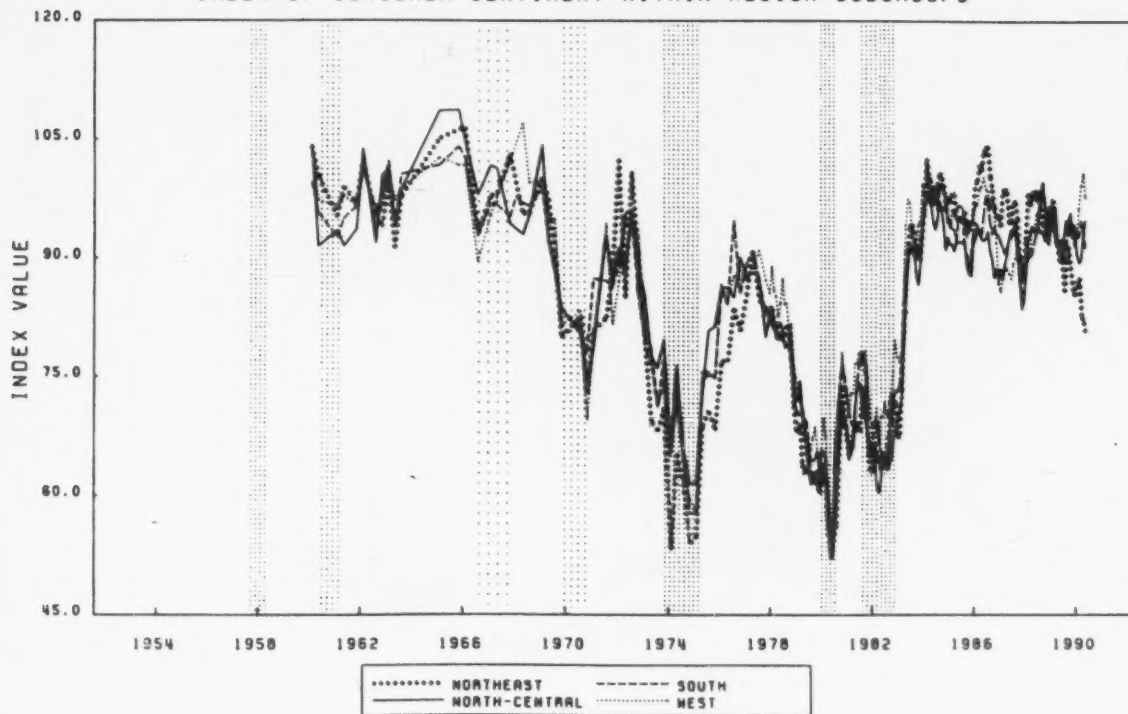


CHART 2B - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

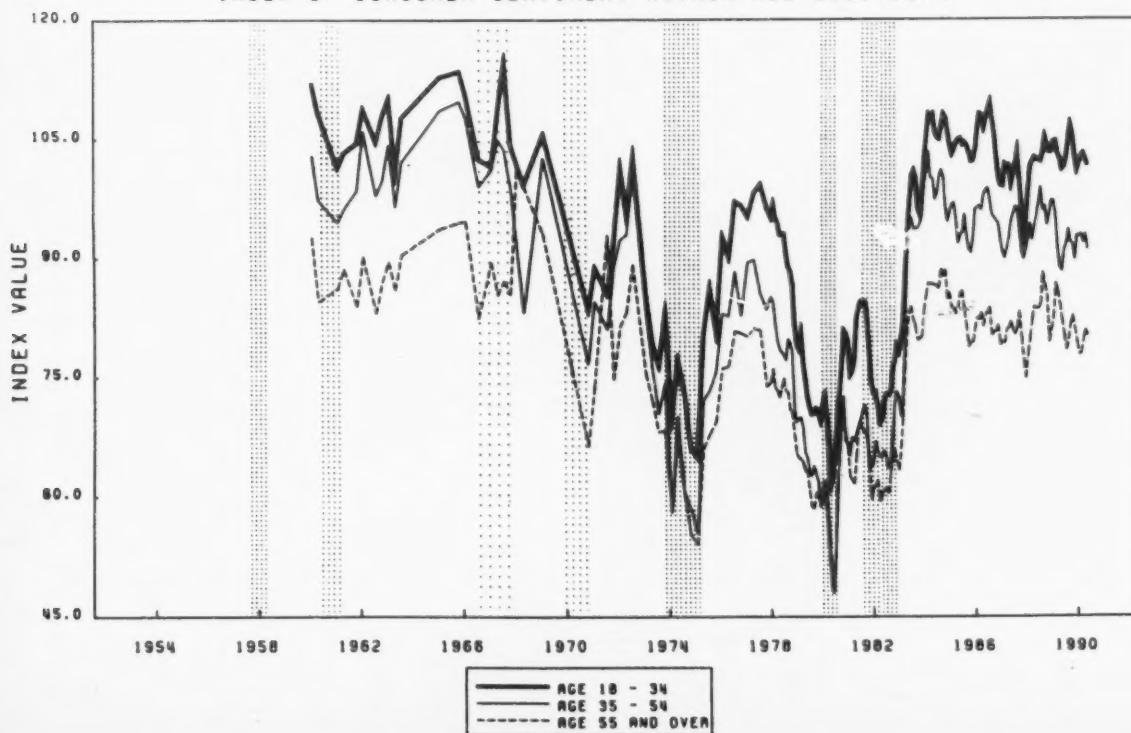


TABLE 2
INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY		CENSUS REGION				AGE OF RESPONDENT		
		North East	North Central	South	West	18-34	35-54	55+
June	1987	92.5	92.2	91.5	89.7	99.0	95.5	80.0
July	1987	100.1	95.7	93.8	85.2	103.0	97.8	80.2
August	1987	99.0	91.0	95.2	93.2	103.3	95.8	80.8
September	1987	92.2	94.7	94.9	91.5	104.1	95.4	82.6
October	1987	93.8	87.2	88.3	89.1	92.0	89.9	86.2
November	1987	83.9	79.6	87.9	79.4	91.7	86.6	70.8
December	1987	83.4	83.6	90.4	89.2	94.1	92.9	73.6
January	1988	99.8	91.3	87.6	88.5	98.3	93.6	80.1
February	1988	93.7	92.1	92.8	86.3	102.5	90.3	79.9
March	1988	101.2	92.9	91.6	95.3	103.5	98.9	80.0
April	1988	94.9	93.9	88.6	89.0	100.0	87.5	86.6
May	1988	99.1	95.5	91.1	97.3	104.2	95.4	84.7
June	1988	98.1	91.2	95.9	95.2	103.1	102.0	79.5
July	1988	98.3	92.0	91.8	94.0	99.6	93.0	86.6
August	1988	95.7	100.9	94.4	98.5	103.6	101.7	86.3
September	1988	95.2	101.9	93.3	97.6	106.1	93.3	91.4
October	1988	91.8	96.1	92.9	96.6	105.8	94.6	82.0
November	1988	95.8	90.6	90.5	98.9	100.4	94.3	82.2
December	1988	90.8	90.2	96.1	88.0	103.7	97.1	73.9
January	1989	96.9	94.2	99.9	102.2	105.8	100.3	86.7
February	1989	103.5	99.2	88.8	93.6	104.3	94.2	86.7
March	1989	91.5	95.8	96.1	92.2	103.9	91.8	87.0
April	1989	83.9	94.6	93.4	90.3	101.0	87.5	83.8
May	1989	99.9	86.7	87.3	94.3	102.2	86.9	81.9
June	1989	84.7	91.2	94.4	89.8	100.0	90.4	81.1
July	1989	87.2	91.9	95.6	91.8	101.9	95.8	78.0
August	1989	85.2	93.6	85.0	95.7	105.7	88.9	76.1
September	1989	97.1	98.8	94.0	92.7	107.1	96.2	84.9
October	1989	92.1	89.6	99.5	92.6	107.3	90.5	83.9
November	1989	77.5	98.7	87.2	99.4	102.2	88.6	79.3
December	1989	87.1	89.2	93.5	90.7	99.3	90.3	80.4
January	1990	91.0	94.2	93.8	92.2	101.4	99.5	78.3
February	1990	82.0	88.2	91.5	95.1	104.9	88.2	74.7
March	1990	89.5	85.5	92.5	101.5	101.7	91.4	81.1
April	1990	75.9	95.6	100.1	101.1	102.8	96.0	83.6
May	1990	80.4	96.5	88.0	99.5	102.6	91.6	77.9
June	1990	84.6	92.1	85.5	92.3	99.5	85.8	79.2

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

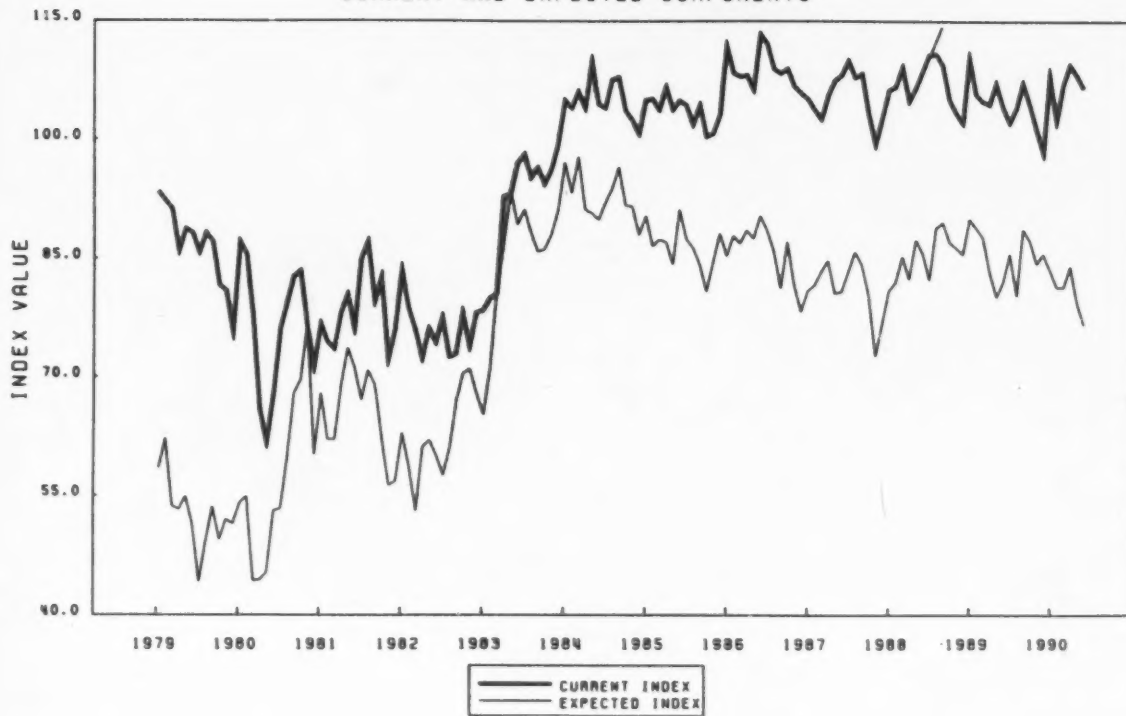


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

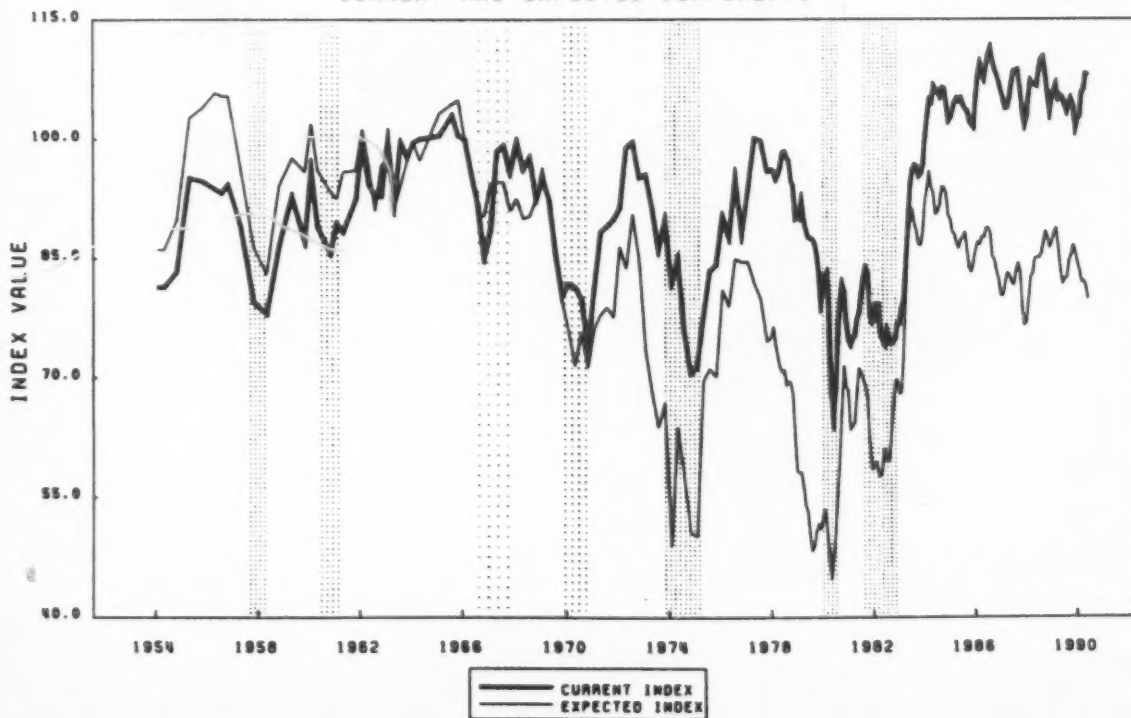


TABLE 3
COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT
INDEX COMPONENTS +

		Personal finances		Business conditions		Buying conds.	Current Index	Expected Index
		Current	Expected	12 months	5 years			
DATE OF SURVEY		(1)	(2)	(3)	(4)	(5)	(1,5)	(2,3,4)
June 1987		120	122	117	89	161	108.1	80.8
July 1987		123	123	118	94	162	109.9	83.3
August 1987		122	127	125	93	157	107.8	85.8
September 1987		119	124	122	92	162	108.3	84.2
October 1987		118	128	105	90	149	103.1	80.4
November 1987		115	118	93	80	142	99.3	72.7
December 1987		119	120	98	89	147	102.7	76.7
January 1988		122	131	110	84	154	106.2	80.9
February 1988		122	130	108	90	155	106.6	81.9
March 1988		127	133	114	96	156	109.1	85.2
April 1988		117	125	117	89	154	104.8	82.4
May 1988		111	127	125	98	165	106.5	87.3
June 1988		119	129	121	95	163	108.6	85.7
July 1988		120	128	106	96	167	110.7	82.3
August 1988		127	127	125	105	160	110.8	88.8
September 1988		127	133	125	102	157	109.4	89.5
October 1988		114	124	129	97	158	105.0	87.0
November 1988		112	128	122	97	156	103.3	86.3
December 1988		114	127	119	98	150	102.0	85.5
January 1989		121	131	128	103	165	110.3	89.9
February 1989		120	130	128	99	154	105.7	88.8
March 1989		116	131	123	98	156	104.8	87.6
April 1989		113	130	113	91	158	104.4	83.2
May 1989		121	125	107	89	157	107.1	80.1
June 1989		115	123	115	90	155	104.1	82.0
July 1989		112	123	124	96	152	102.1	85.5
August 1989		114	126	109	88	156	103.9	80.3
September 1989		117	129	127	101	161	107.1	88.6
October 1989		114	134	124	93	156	104.4	87.2
November 1989		116	130	116	92	146	101.2	84.3
December 1989		115	129	115	99	140	98.2	85.5
January 1990		116	124	119	92	164	108.0	83.4
February 1990		108	126	111	90	157	102.3	81.3
March 1990		117	125	108	93	160	106.9	81.3
April 1990		122	136	110	92	162	109.4	83.9
May 1990		119	126	110	83	161	108.1	79.3
June 1990		119	125	100	83	158	106.5	76.6

(1) See Table 4 (2) See Table 6 (3) See Table 15 (4) See Table 16 (5) See Table 21.
+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES"
(or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

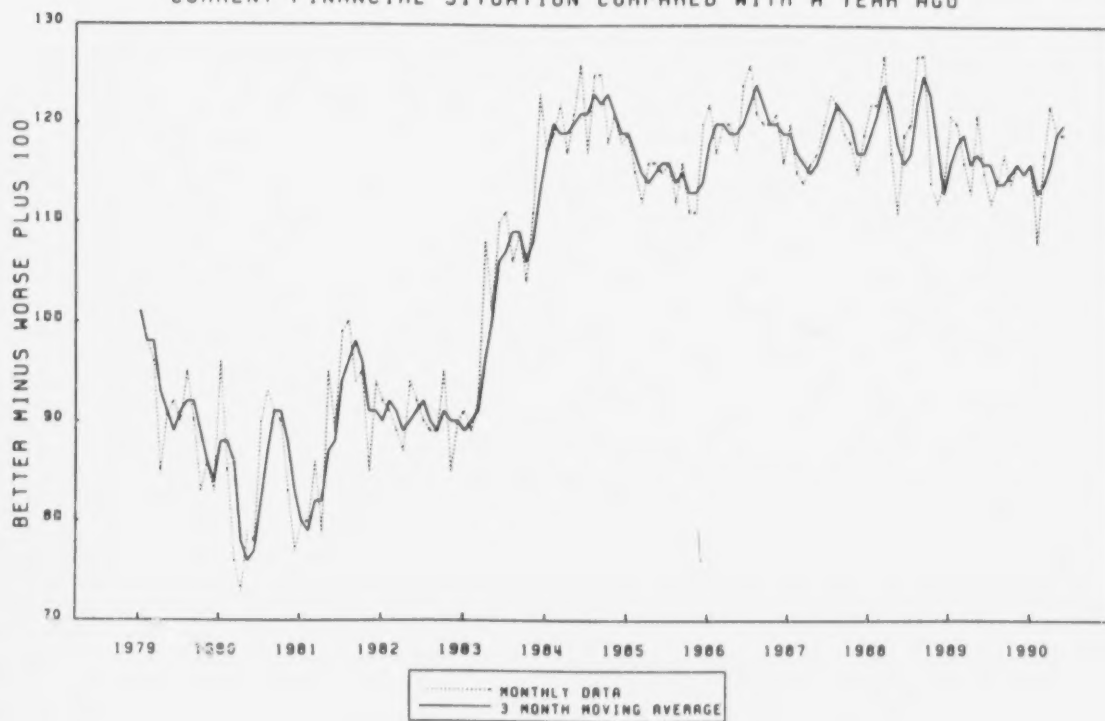


CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

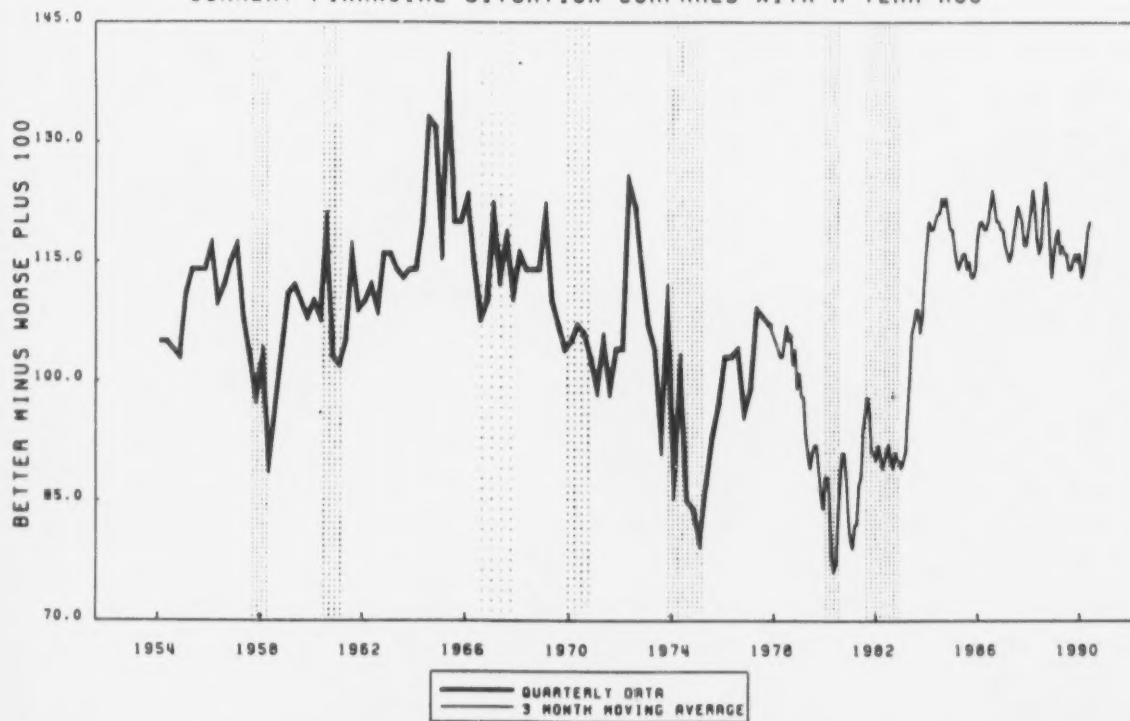


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990
BETTER OFF	38%	41%	41%	42%	42%	42%	41%	43%	38%	43%	46%	43%	43%
SAME	38	30	32	32	30	32	32	30	32	30	29	33	33
WORSE OFF	23	29	27	25	28	26	26	27	30	26	24	24	24
DK,NA	1	*	*	1	*	*	1	*	*	1	1	*	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	507	501	502	506	500	502	500	500	511	503	504	504	500

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION



CHART 5B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

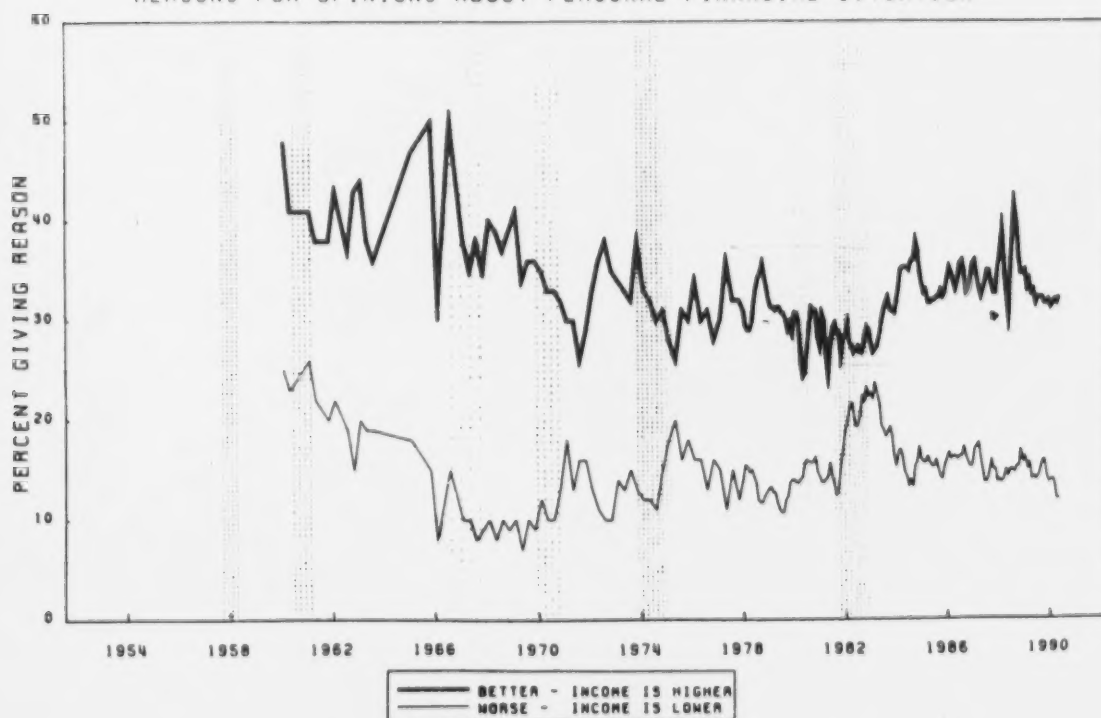


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990
BETTER OFF THAN YEAR AGO:													
Income is higher	31%	32%	34%	31%	32%	32%	31%	33%	30%	32%	34%	29%	34%
WORSE OFF THAN YEAR AGO:													
Income is lower	14	15	14	16	17	15	11	15	16	11	13	12	11
Higher prices	14	16	16	13	11	13	16	16	17	15	13	11	15

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

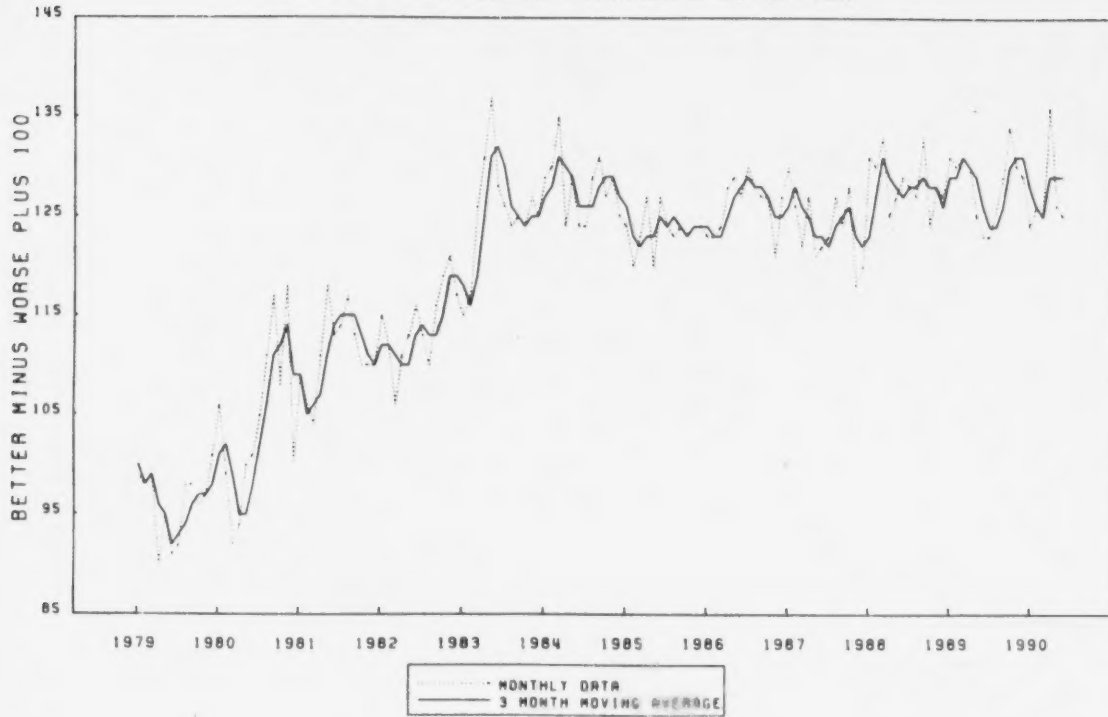


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

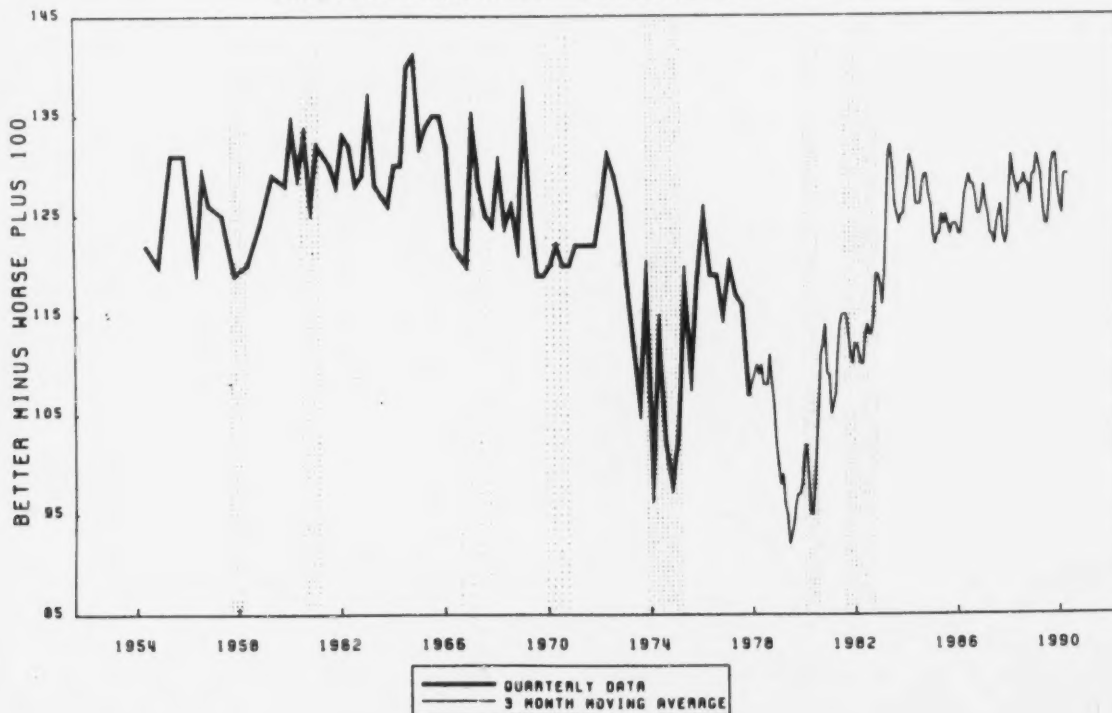


TABLE 6
EXPECTED CHANGE IN FINANCIAL SITUATION

	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990
BETTER OFF	34%	35%	37%	38%	41%	40%	37%	35%	35%	37%	45%	38%	36%
SAME	52	50	49	49	47	48	50	51	53	49	44	48	50
WORSE OFF	11	12	11	9	7	10	8	11	9	12	9	12	11
DK,NA	3	3	3	4	5	2	5	3	3	2	2	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	507	501	502	506	500	502	500	500	511	503	504	504	500

The question was: "Now looking ahead—do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

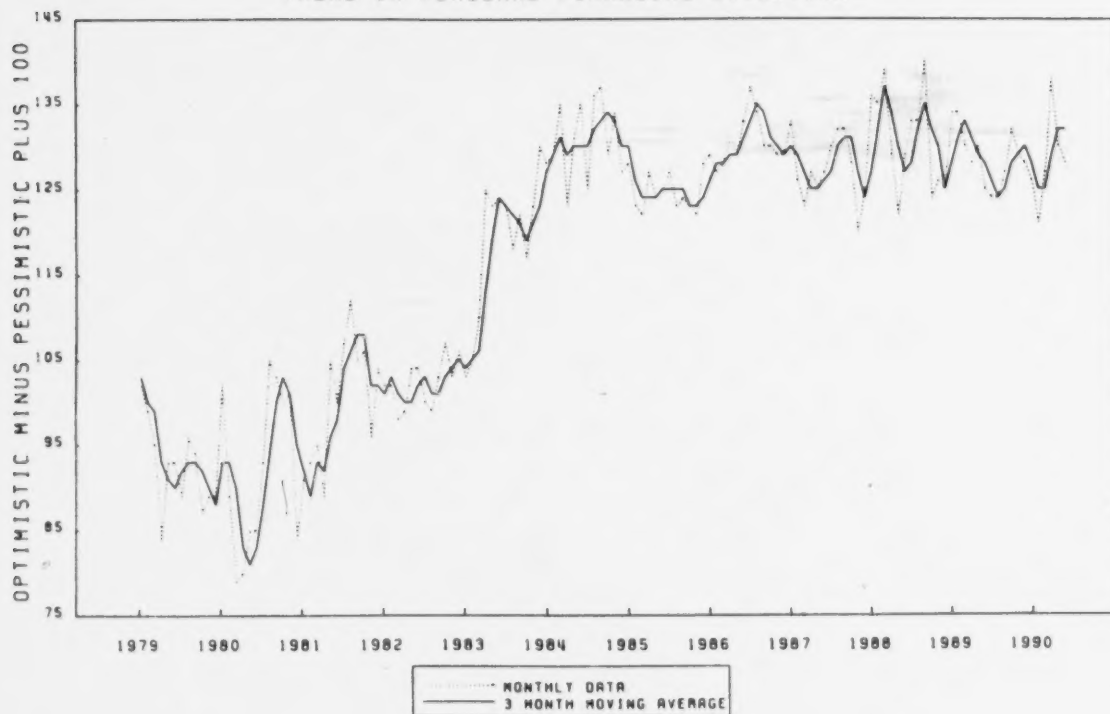


CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

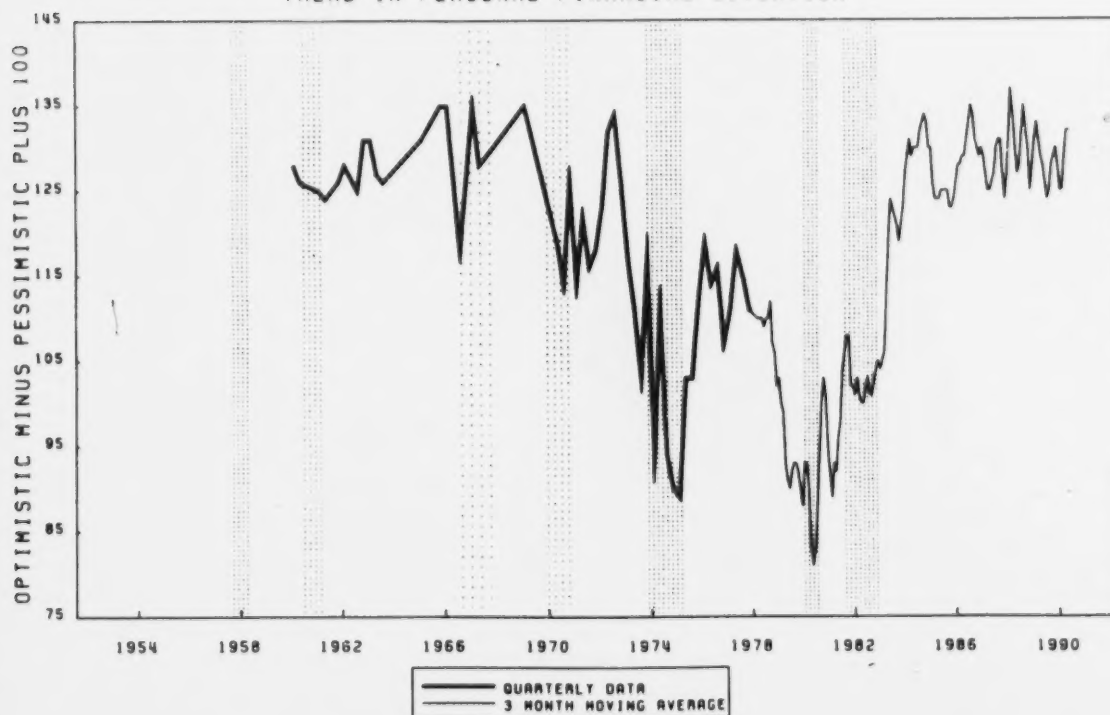


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

June 1989 July 1989 Aug. 1989 Sept 1989 Oct. 1989 Nov. 1989 Dec. 1989 Jan. 1990 Feb. 1990 Mar. 1990 Apr. 1990 May 1990 June 1990

PERSONAL FINANCIAL
PROGRESS:

Continuous increase (a)	16%	19%	20%	24%	22%	21%	19%	20%	17%	20%	24%	22%	19%
Intermittant increase(b)	28	28	25	24	27	26	28	28	26	28	29	26	29
Remain unchanged (c)	22	18	20	19	17	20	18	17	21	17	16	21	18
Intermittant decline (d)	15	15	16	17	12	14	16	16	17	15	11	11	16
Continuous decline (e)	4	8	5	4	5	4	3	6	5	6	4	7	4
Mixed change (f)	11	9	10	8	11	13	11	9	10	10	13	11	11
DK,NA	4	3	4	4	6	2	5	4	4	4	3	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	507	501	502	506	500	502	500	500	511	503	504	504	500

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
 (b) Better/Same or Same/Better
 (c) Same/Same
 (d) Worse/Same or Same/Worse
 (e) Worse/Worse
 (f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
 MEDIAN EXPECTED CHANGE IN FAMILY INCOME

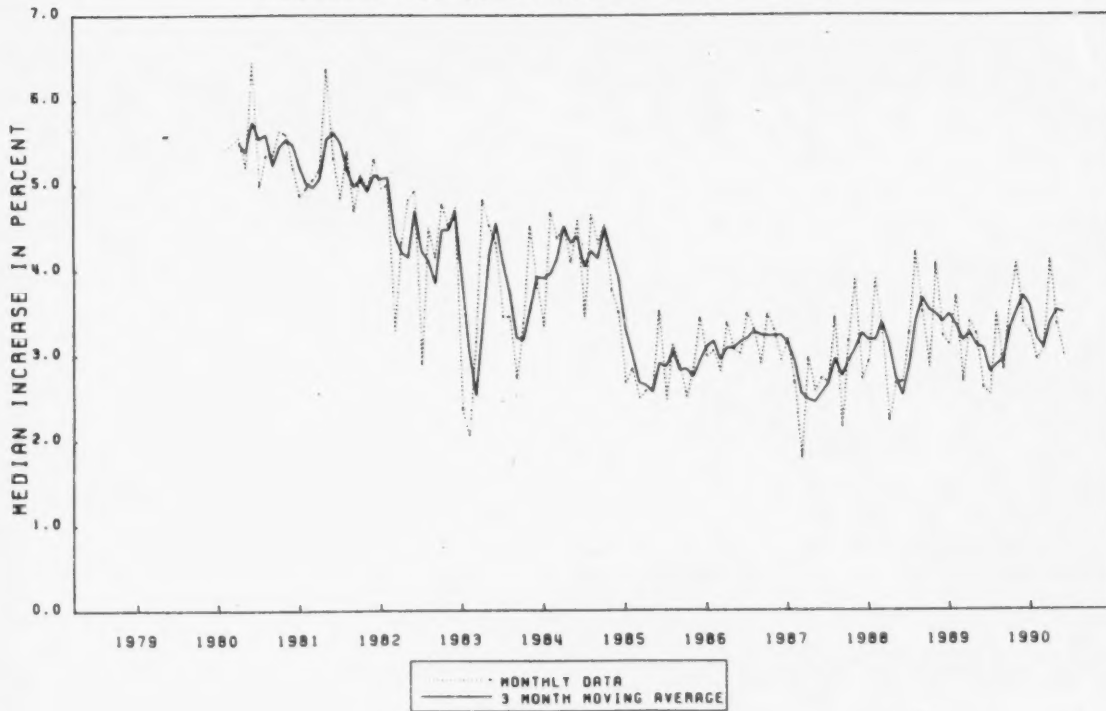


CHART 8 - HISTORICAL SERIES
 MEDIAN EXPECTED CHANGE IN FAMILY INCOME

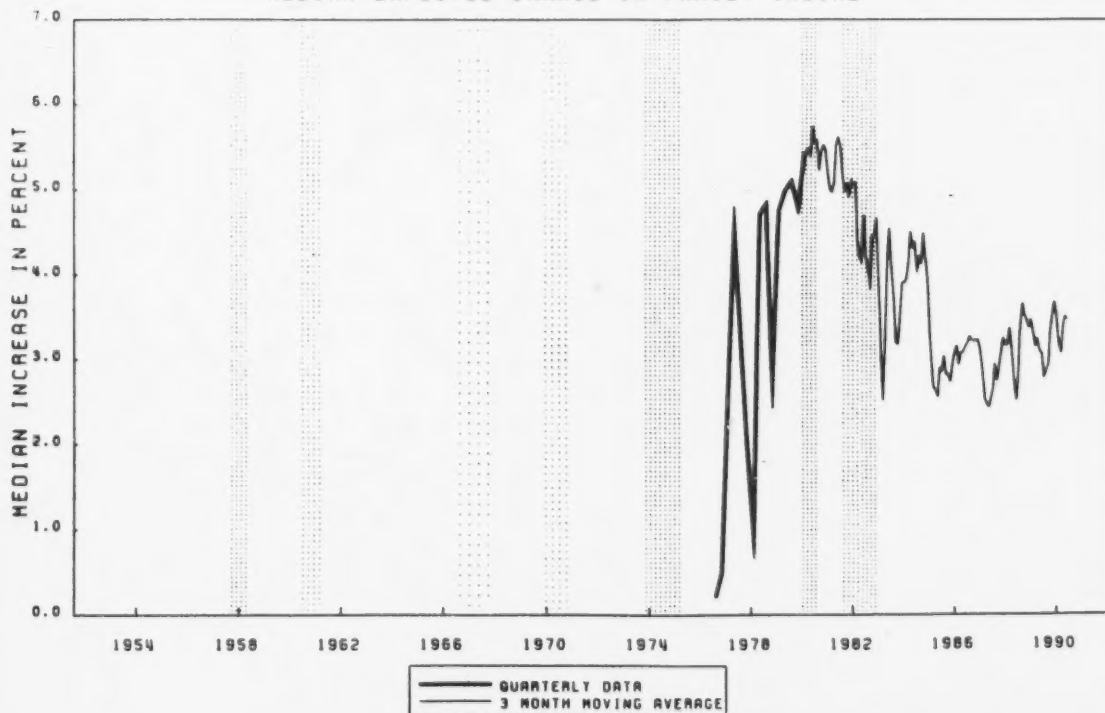


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990
EXPECT INCREASE:													
1-4%	18%	15%	15%	16%	15%	23%	16%	18%	17%	15%	15%	16%	17%
5%	11	9	13	10	12	13	12	13	12	9	13	9	10
6-9%	6	6	8	7	7	7	8	7	6	9	7	8	9
10-24%	14	16	17	15	14	16	13	14	15	16	18	18	12
25% or more	6	6	6	5	9	7	7	5	5	4	8	7	9
DK how much up	5	6	3	5	4	6	5	5	3	5	4	5	3
EXPECT SAME	27	31	26	25	25	19	26	25	30	28	27	27	25
EXPECT DOWN	12	10	12	15	12	9	12	11	11	13	7	9	15
DK,NA	1	1	*	2	2	*	1	2	1	1	1	1	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	507	501	502	506	500	502	500	500	511	503	504	504	500

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

* : Less than half of one percent.

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

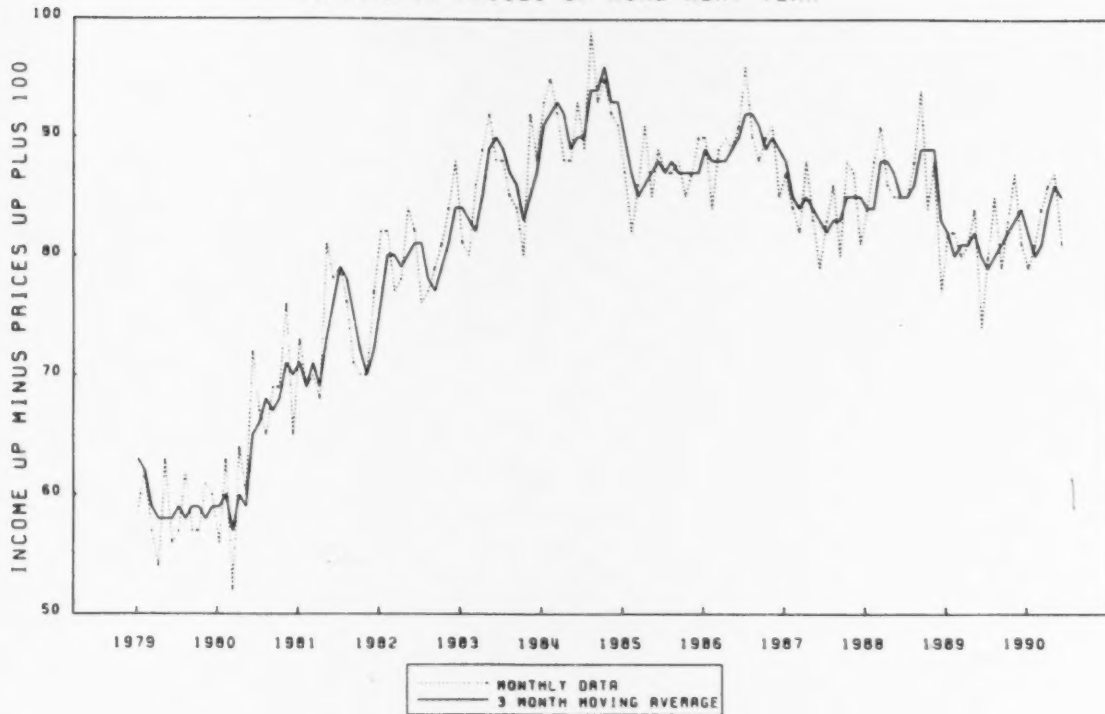


CHART 9 - HISTORICAL SERIES
INCOME OR PRICES UP MORE NEXT YEAR

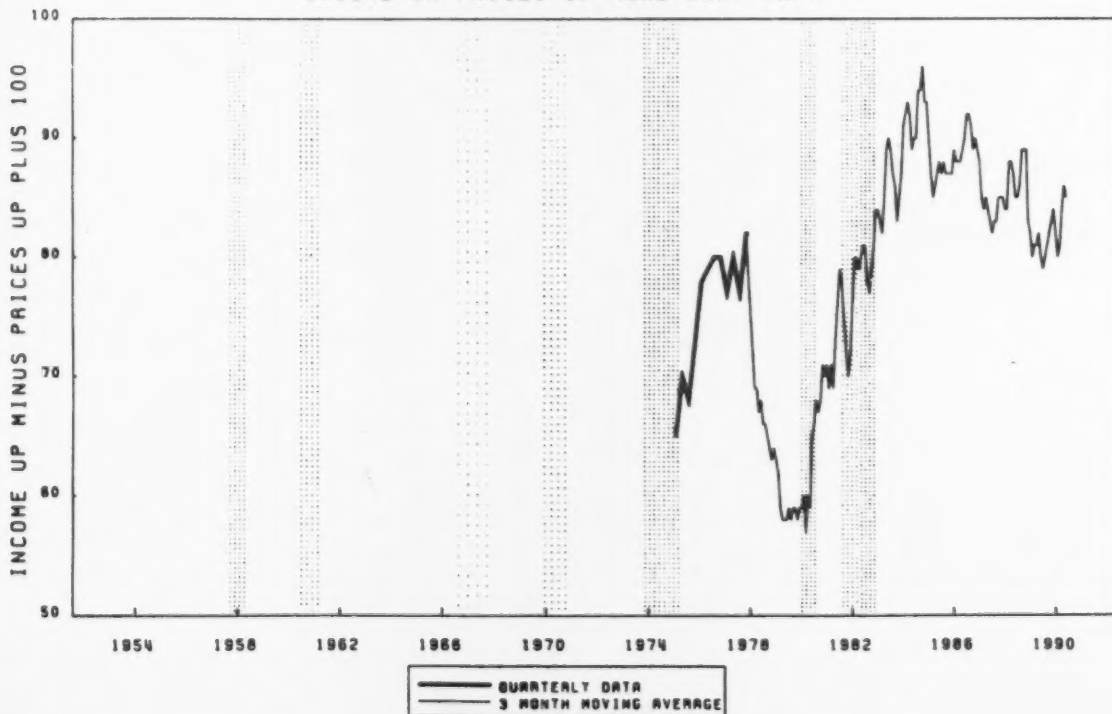


TABLE 9

EXPECTED CHANGE IN REAL FAMILY INCOME

	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990
INCOME UP MORE	16%	19%	21%	19%	20%	22%	21%	17%	17%	20%	21%	19%	18%
INCOME UP SAME	39	40	39	39	41	42	36	42	44	42	42	48	44
PRICES UP MORE	42	39	36	40	37	35	40	38	36	36	35	32	37
DK,NA	3	2	4	2	2	1	3	3	3	2	2	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	507	501	502	506	500	502	500	500	511	503	504	504	500

The question was: "How about the next year or two—do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 10 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

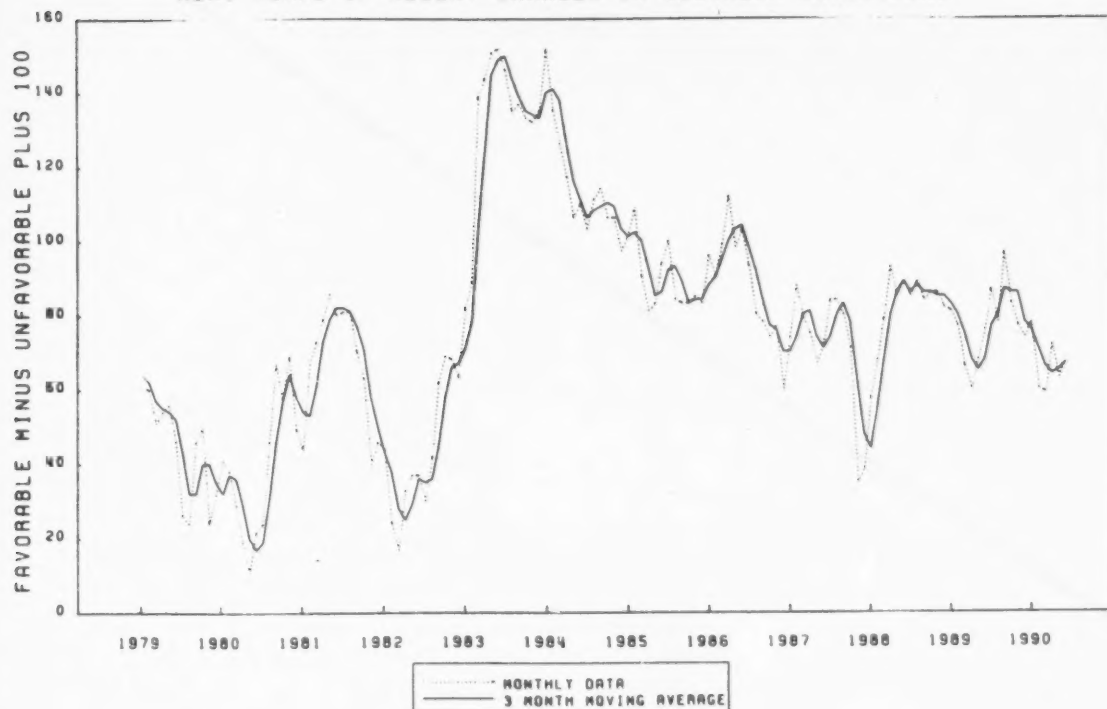


CHART 10 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

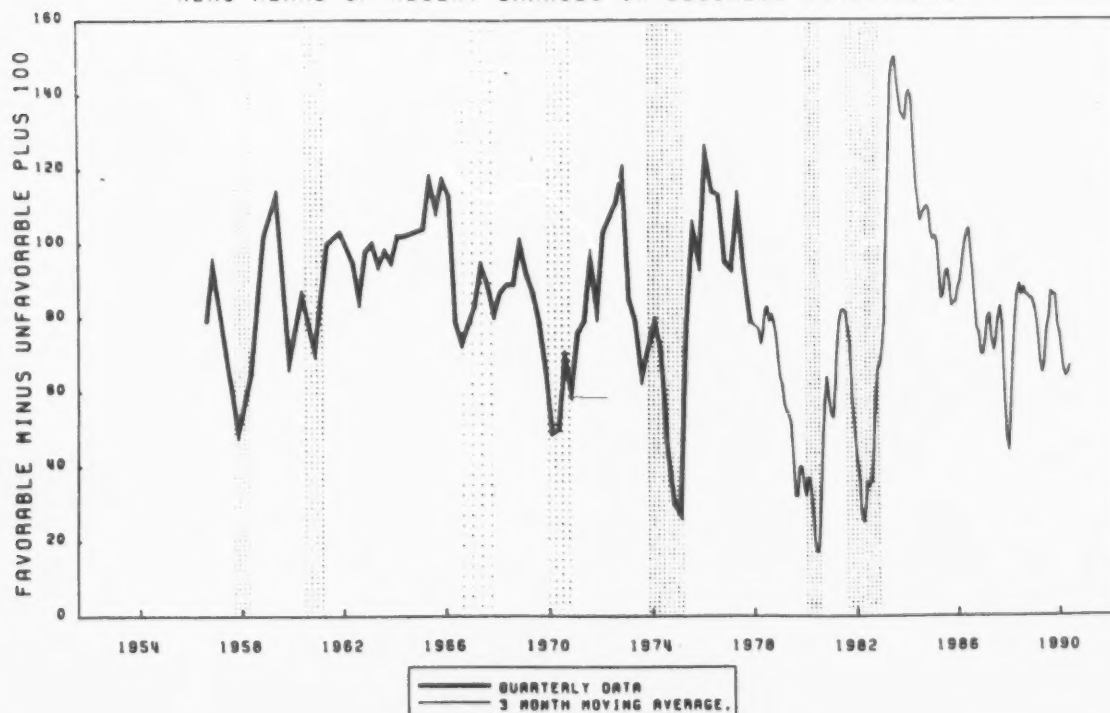


TABLE 10

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990
FAVORABLE NEWS	23%	28%	23%	29%	24%	22%	24%	26%	20%	21%	23%	18%	22%
UNFAVORABLE NEWS	47	41	45	32	41	45	50	48	60	62	51	55	55
NO MENTIONS	53	50	53	56	52	52	50	49	44	43	49	50	48

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 11A - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

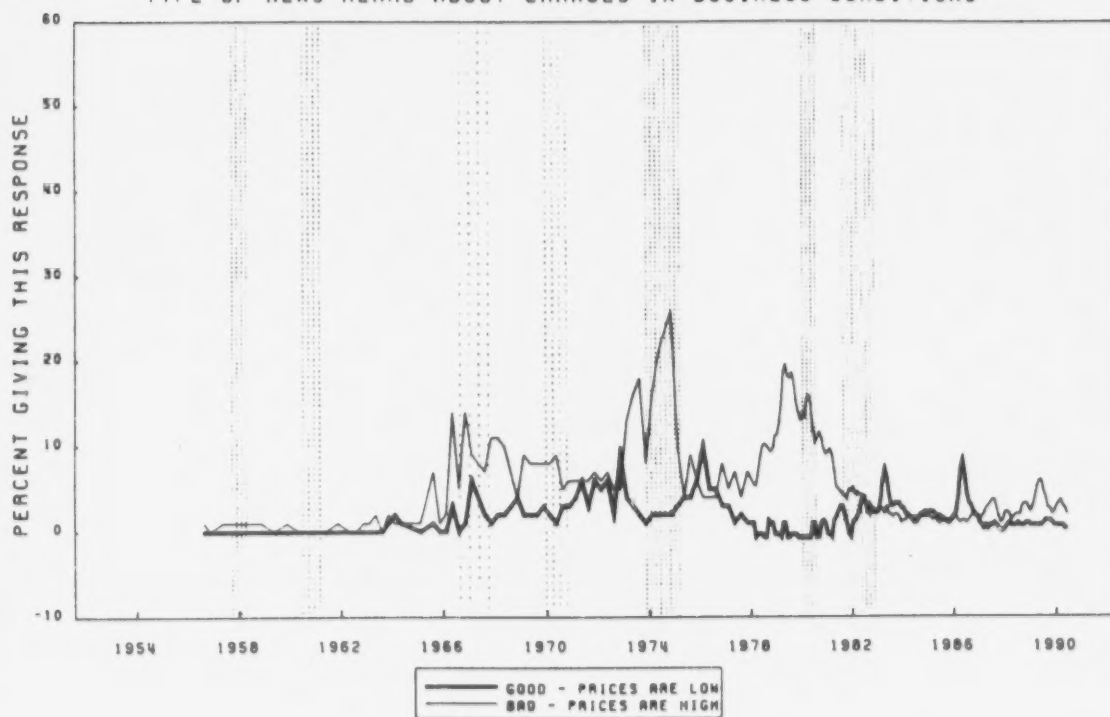


CHART 11B - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

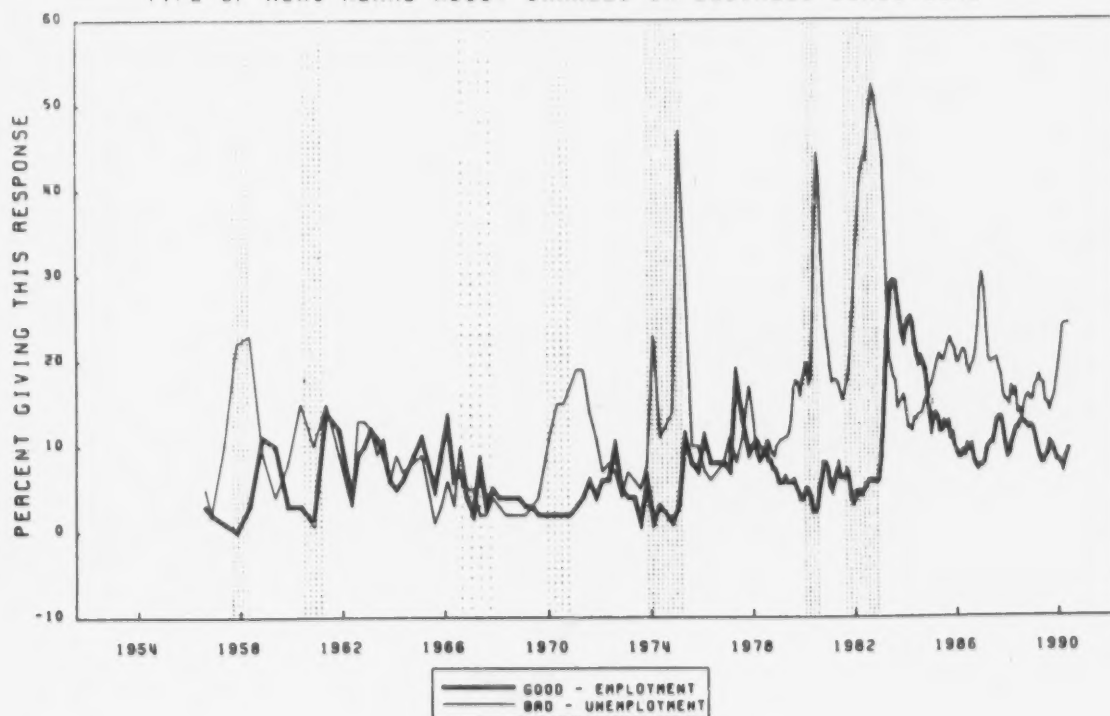


TABLE 11
SELECTED ITEMS OF
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990
FAVORABLE NEWS:													
Government; elections	1%	*	2%	2%	1%	1%	3%	1%	2%	3%	1%	1%	2%
Employment	8	10	9	12	9	7	9	9	6	7	12	8	9
Higher consumer demand	1	2	1	1	1	2	2	1	1	2	2	1	1
Lower prices	1	1	2	1	1	1	*	1	1	*	1	*	*
Easier credit	4	6	5	4	3	3	1	6	3	1	1	2	2
Stock market	2	2	1	3	2	2	2	2	1	1	1	1	2
Trade deficit	*	1	1	1	1	1	3	2	2	2	2	1	1
UNFAVORABLE NEWS:													
Government; elections	4	5	3	4	2	3	5	3	6	6	3	8	6
Unemployment	17	13	15	14	16	17	19	21	24	27	22	24	27
Lower consumer demand	3	3	3	2	2	5	6	5	6	6	6	3	6
Higher prices	6	2	4	2	2	2	3	4	3	4	2	2	2
Tighter credit	5	3	2	1	1	1	2	1	3	3	2	3	2
Stock market	1	1	1	1	7	6	2	2	6	4	3	3	1
Trade deficit	3	5	3	2	2	2	5	2	3	4	5	2	3

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 12 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO



CHART 12 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

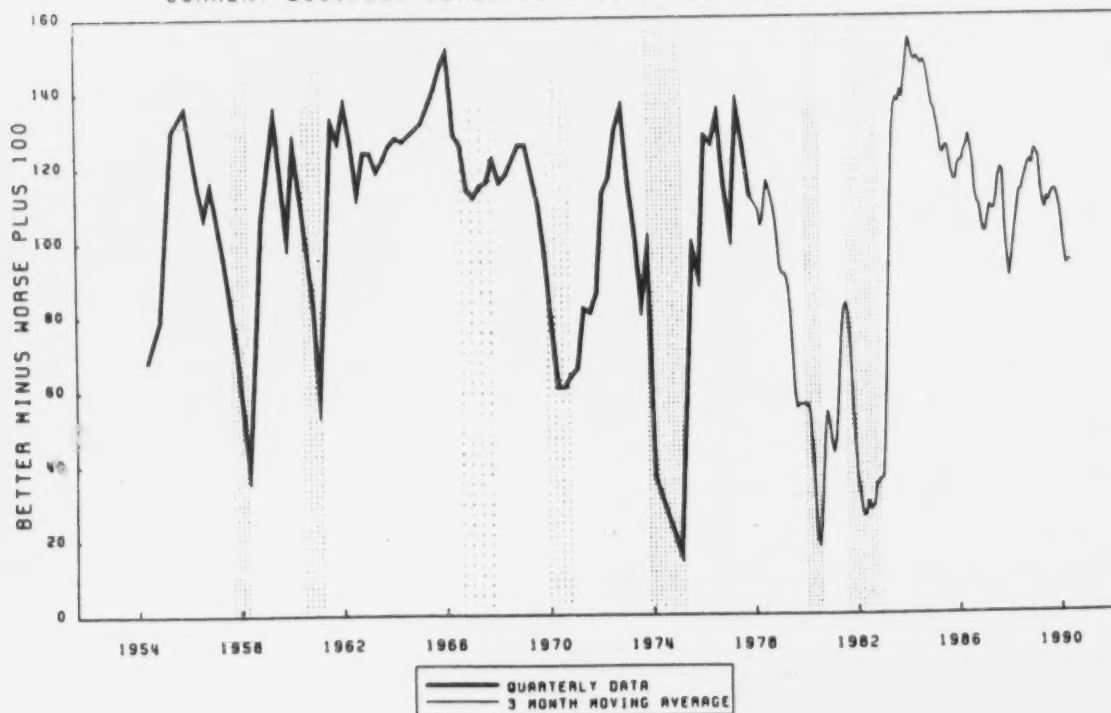


TABLE 12

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990
BETTER NOW	45%	43%	42%	48%	47%	42%	45%	43%	36%	36%	38%	36%	37%
SAME	18	22	21	19	19	19	19	16	17	20	17	19	18
WORSE NOW	33	32	35	30	33	36	33	38	44	42	44	41	43
DK,NA	4	3	2	3	1	3	3	3	3	2	1	4	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	507	501	502	506	500	502	500	500	511	503	504	504	500

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 13 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

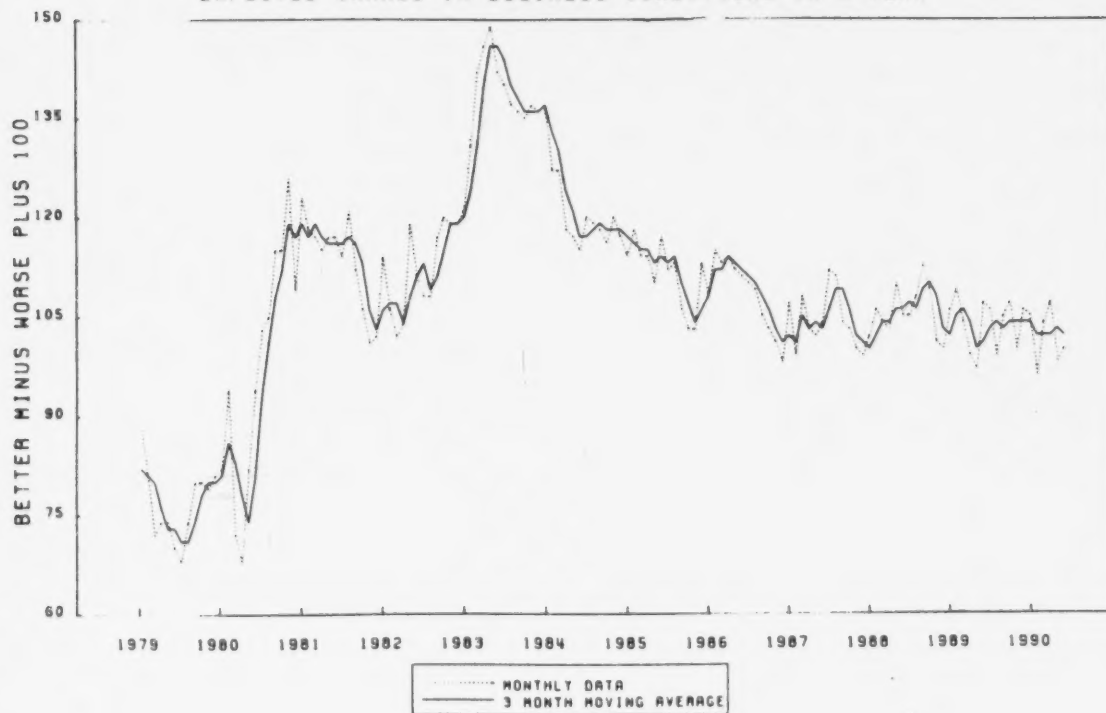


CHART 13 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

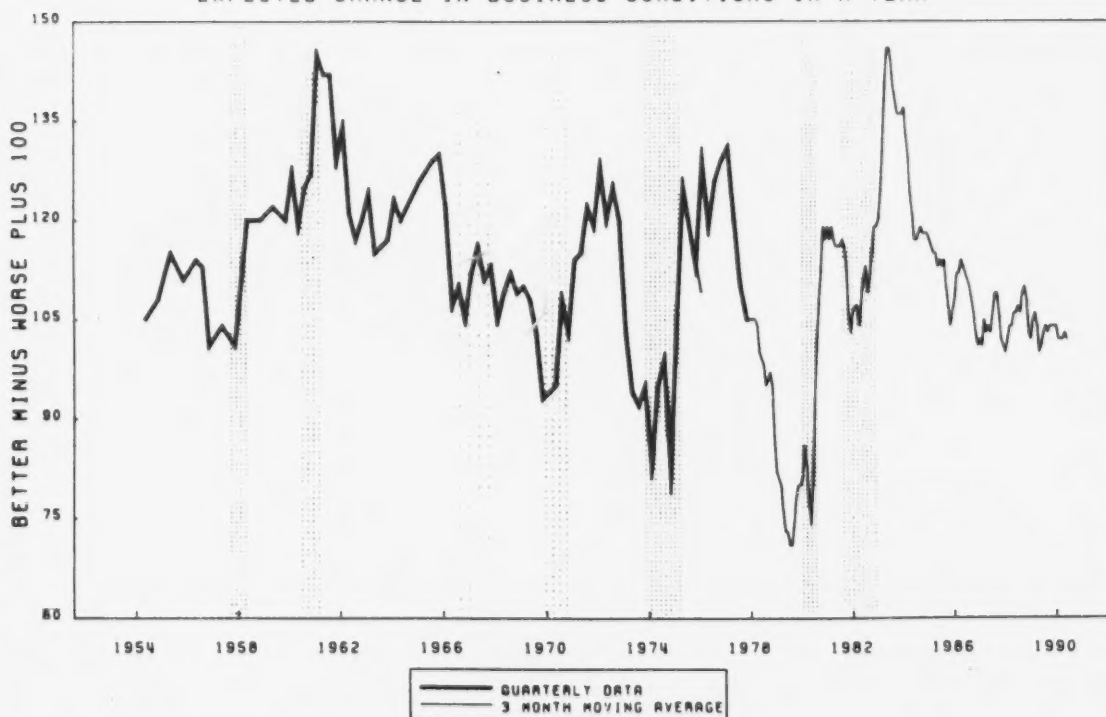


TABLE 13

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990
BETTER	24%	20%	18%	21%	22%	18%	24%	22%	19%	22%	24%	18%	20%
SAME	57	63	60	59	61	61	55	59	56	58	58	59	58
WORSE	17	14	19	16	15	18	18	17	23	18	17	20	20
DK,NA	2	3	3	4	2	3	3	2	2	2	1	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	507	501	502	506	500	502	500	500	511	503	504	504	500

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

CHART 14 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

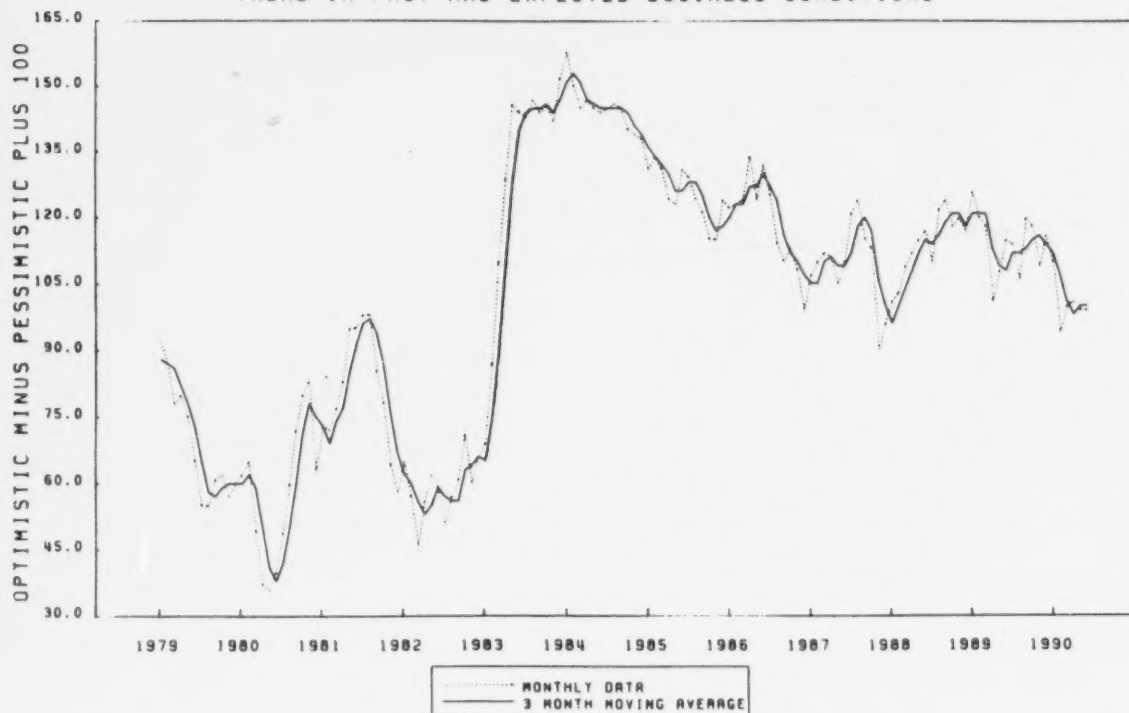


CHART 14 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

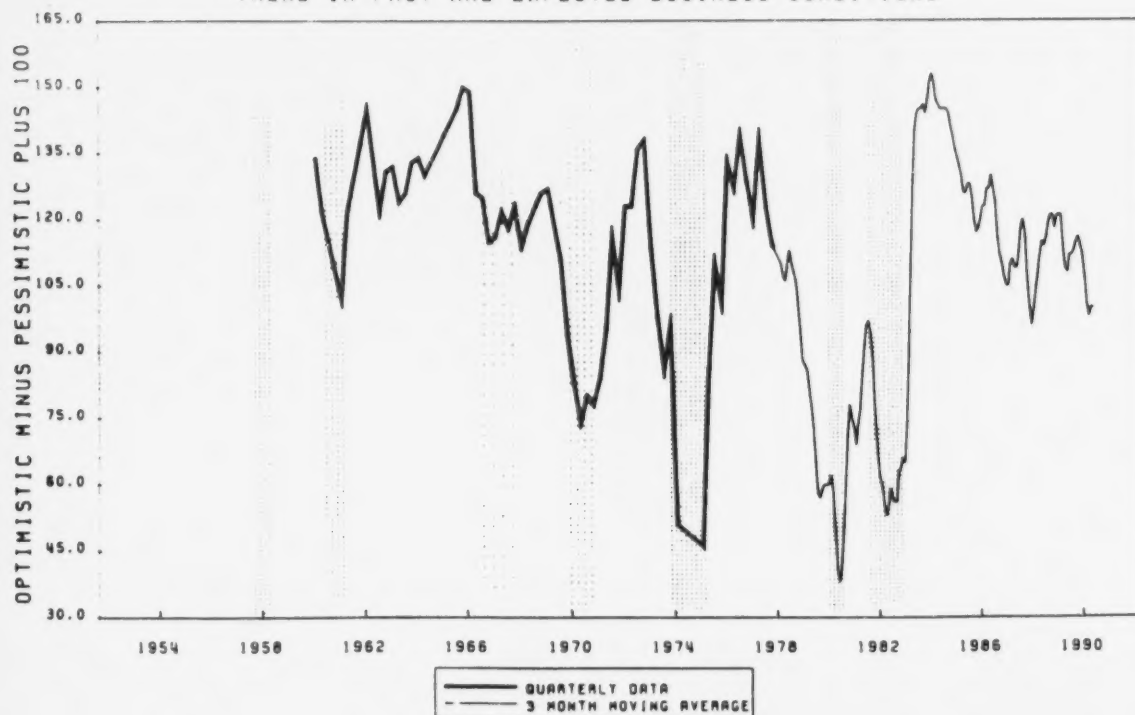


TABLE 14

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

June July Aug. Sept Oct. Nov. Dec. Jan. Feb. Mar. Apr. May June
1989 1989 1989 1989 1989 1989 1989 1990 1990 1990 1990 1990 1990

TREND:

Continuous increase (a)	15%	14%	11%	14%	15%	10%	15%	14%	11%	10%	13%	8%	11%
Intermittant increase(b)	30	30	29	34	33	32	29	29	25	27	25	28	27
Remain unchanged (c)	12	16	14	12	13	13	13	12	10	12	12	12	11
Intermittant decline (d)	18	20	22	18	19	21	16	20	26	26	25	23	25
Continuous decline (e)	12	10	12	10	11	12	12	13	16	11	12	14	14
Mixed change (f)	6	4	7	6	5	6	10	8	8	10	11	9	9
DK,NA	7	6	5	6	4	6	5	4	4	4	2	6	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	507	501	502	506	500	502	500	500	511	503	504	504	500

Combination of the responses to the questions on Tables 12 and 13.

Key: (a) Better than a year ago/Better a year from now
 (b) Better/Same or Same/Better
 (c) Same/Same
 (d) Worse/Same or Same/Worse
 (e) Worse/Worse
 (f) Worse/Better or Better/Worse

CHART 15 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

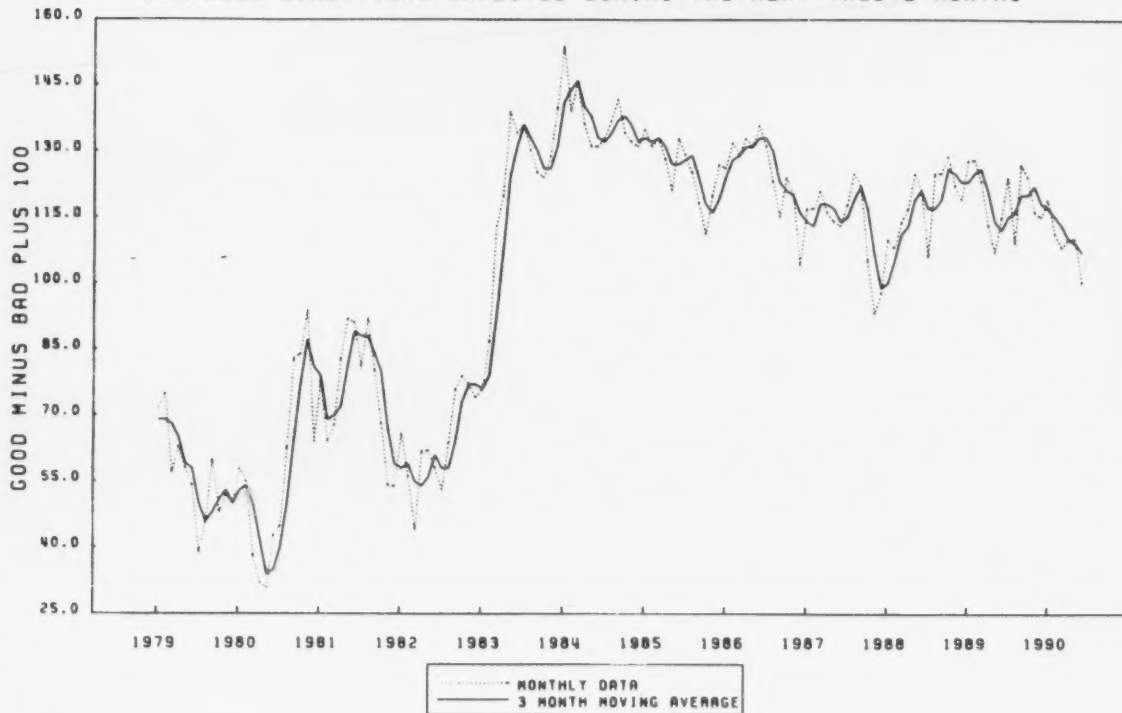


CHART 15 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

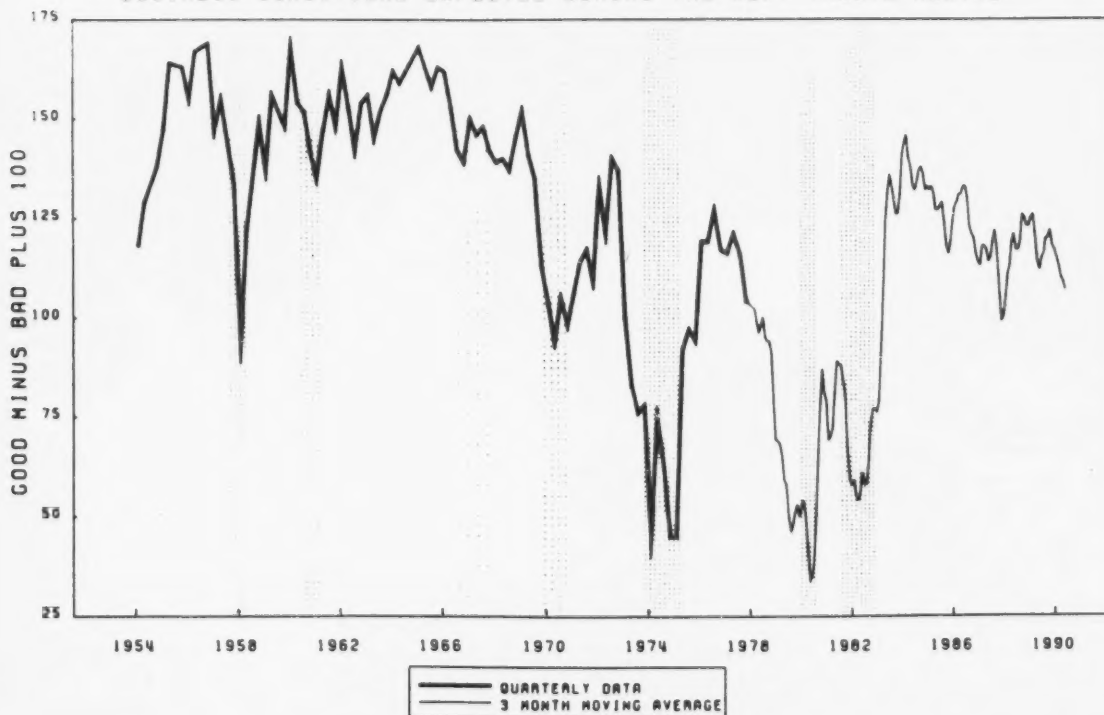


TABLE 15

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990
GOOD TIMES	48%	53%	46%	55%	53%	50%	49%	52%	46%	48%	49%	47%	43%
UNCERTAIN; GOOD & BAD	5	4	6	4	5	4	2	3	6	3	4	4	3
BAD TIMES	33	29	37	28	29	34	34	33	35	40	39	37	43
DON'T KNOW	9	7	4	6	8	7	7	6	7	5	4	6	5
NOT ASCERTAINED	5	7	7	7	5	5	8	6	6	4	4	6	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	507	501	502	506	500	502	500	500	511	503	504	504	500

The question was: "Now turning to business conditions in the country as a whole—do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 16 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS



CHART 16 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

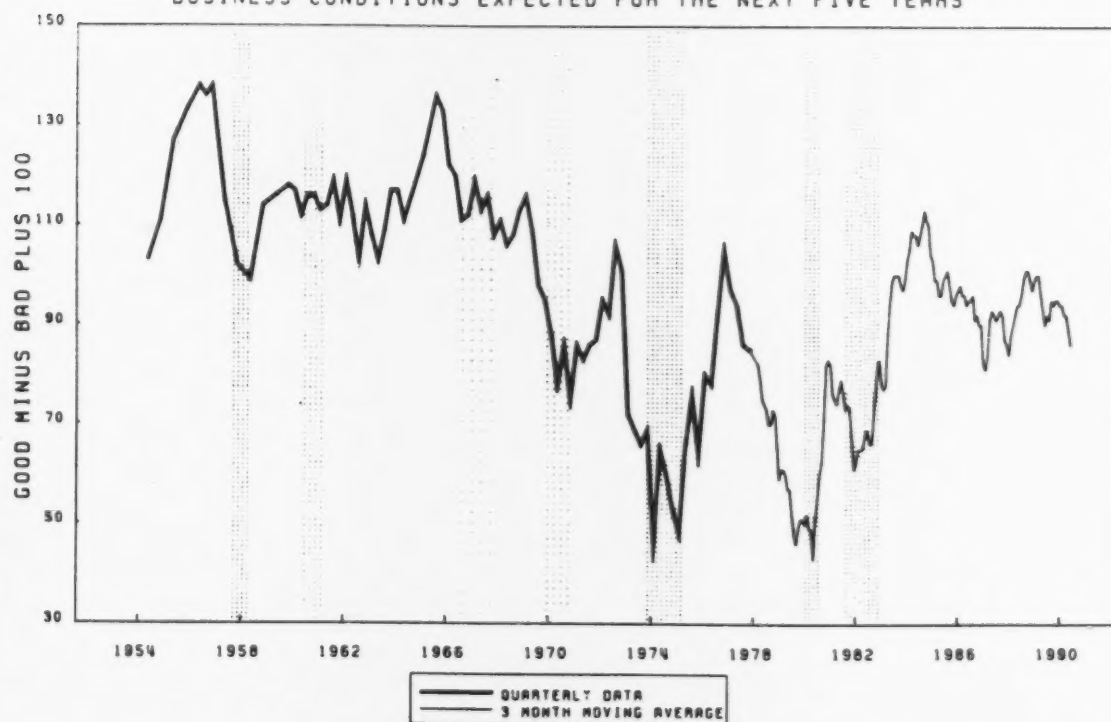


TABLE 16

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990
GOOD TIMES	37%	39%	33%	41%	36%	38%	39%	37%	36%	40%	39%	32%	31%
UNCERTAIN; GOOD & BAD	12	13	13	13	14	13	15	12	11	10	11	12	12
BAD TIMES	47	43	45	40	43	46	40	45	46	47	47	49	48
NOT ASCERTAINED	4	5	9	6	7	3	6	6	7	3	3	7	9
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	507	501	502	506	500	502	500	500	511	503	504	504	500

The question was: "Looking ahead, which would you say is more likely—that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 17 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

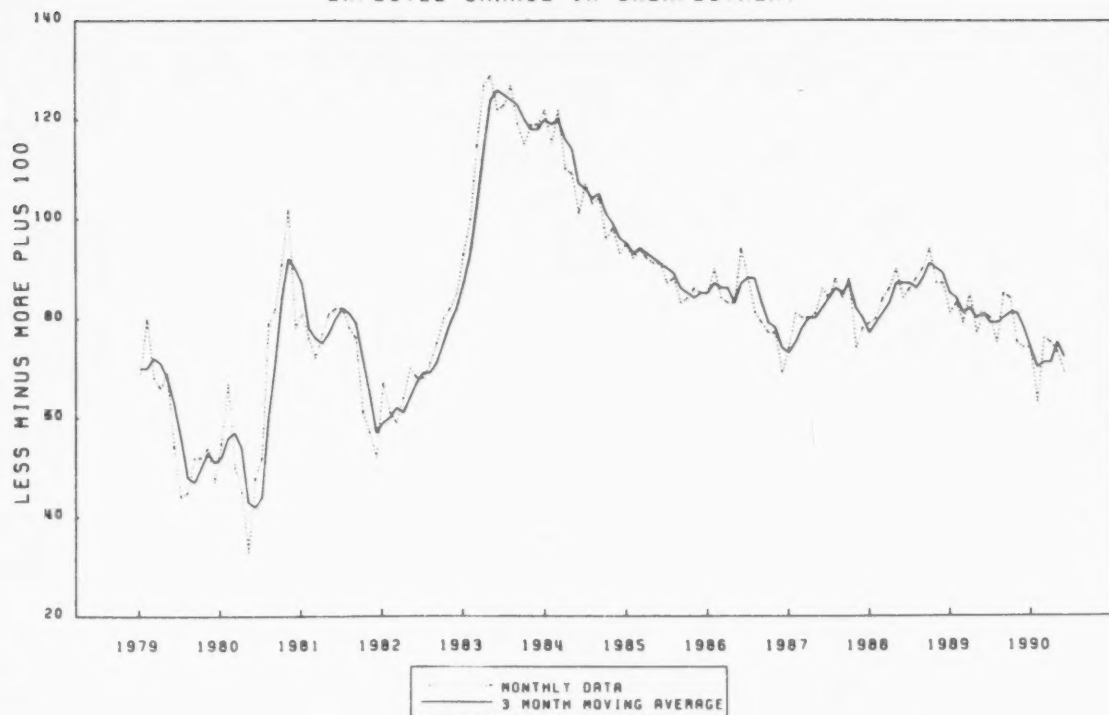


CHART 17 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

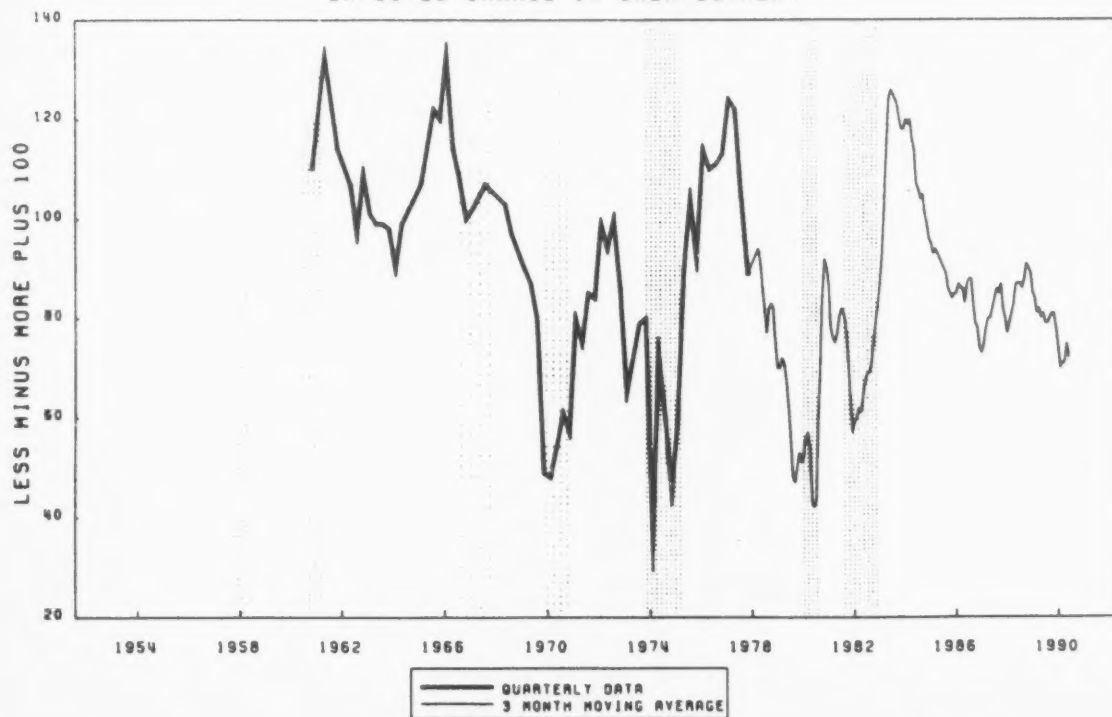


TABLE 17

EXPECTED CHANGE IN UNEMPLOYMENT

	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990
LESS	10%	11%	10%	11%	14%	10%	11%	10%	7%	10%	11%	10%	8%
SAME	59	57	54	61	55	54	51	52	48	55	52	52	52
MORE	29	31	35	26	30	35	37	36	44	34	36	37	39
DK,NA	2	1	1	2	1	1	1	2	1	1	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	507	501	502	506	500	502	500	500	511	503	504	504	500

The question was: "How about people out of work during the coming 12 months—do you think that there will be more unemployment than now, about the same, or less?"

CHART 18 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

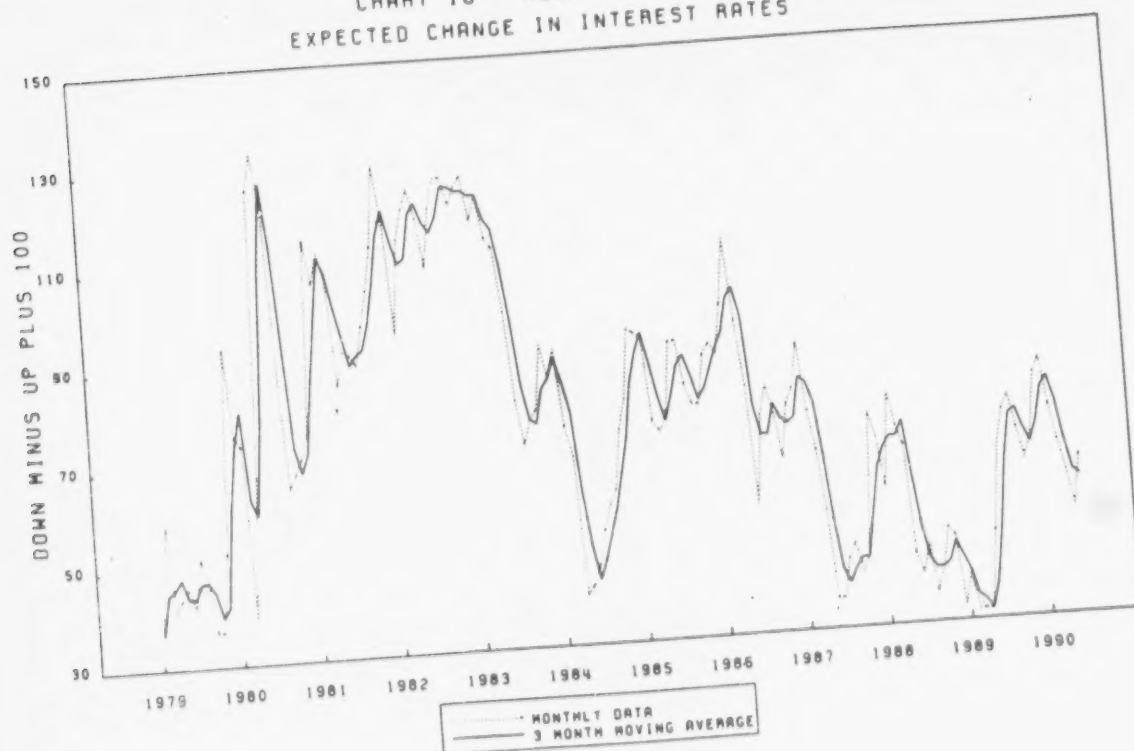


CHART 18 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

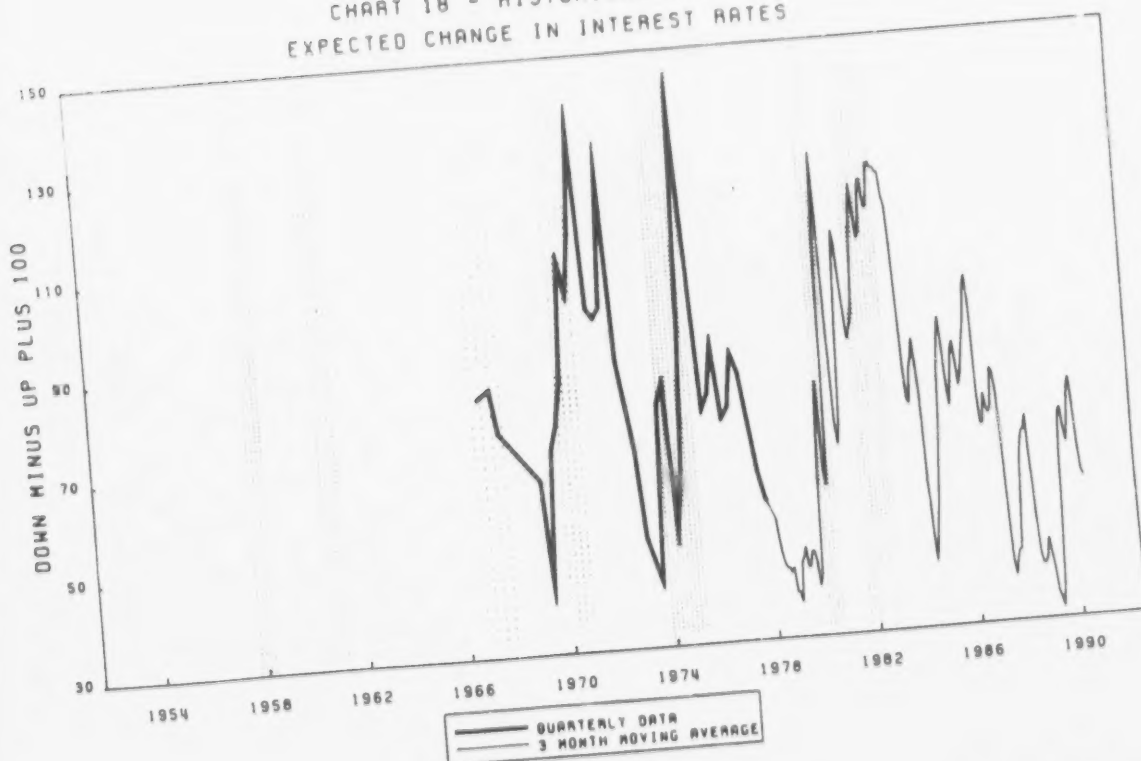


TABLE 18
EXPECTED CHANGE IN INTEREST RATES

	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990
GO UP	54%	51%	49%	50%	55%	52%	46%	45%	48%	51%	55%	58%	56%
STAY THE SAME	24	25	24	30	26	27	26	26	29	32	29	30	23
GO DOWN	19	23	24	18	17	18	25	27	20	16	14	10	18
DK,NA	3	1	3	2	2	3	3	2	3	1	2	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	507	501	502	506	500	502	500	500	511	503	504	504	500

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months—will they go up, stay the same, or go down?"

CHART 19 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS



CHART 19 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

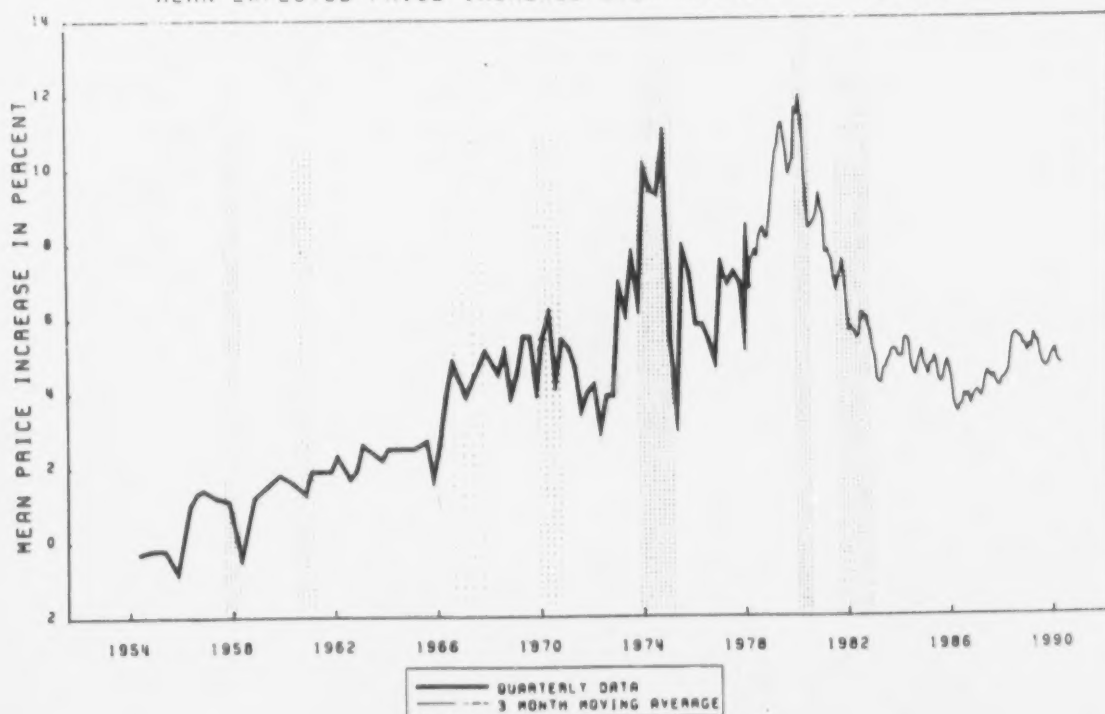


TABLE 19

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990
SAME OR DOWN	10%	10%	13%	13%	12%	12%	10%	11%	15%	11%	11%	11%	11%
WILL GO UP BY:													
1-2%	18	18	18	21	19	17	21	14	13	18	20	19	18
3-4%	24	21	23	24	23	26	21	24	23	24	24	22	25
5%	19	22	21	21	19	19	23	21	22	20	22	22	24
6-9%	9	9	6	6	9	7	10	8	10	8	7	9	7
10-14%	10	8	9	6	8	8	5	10	8	8	7	8	7
15% or more	5	5	3	3	3	4	5	5	4	5	4	3	4
DK how much up	5	6	6	5	5	6	5	5	5	6	5	6	3
DK,NA	*	1	1	1	2	1	*	2	*	*	*	*	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	5.0	5.1	4.7	4.4	4.7	4.7	4.6	5.4	5.1	4.9	4.5	4.6	4.9
VARIANCE	34	39	42	32	32	31	28	49	45	38	26	30	37
CASES	507	501	502	506	500	502	500	500	511	503	504	504	500

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 20 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

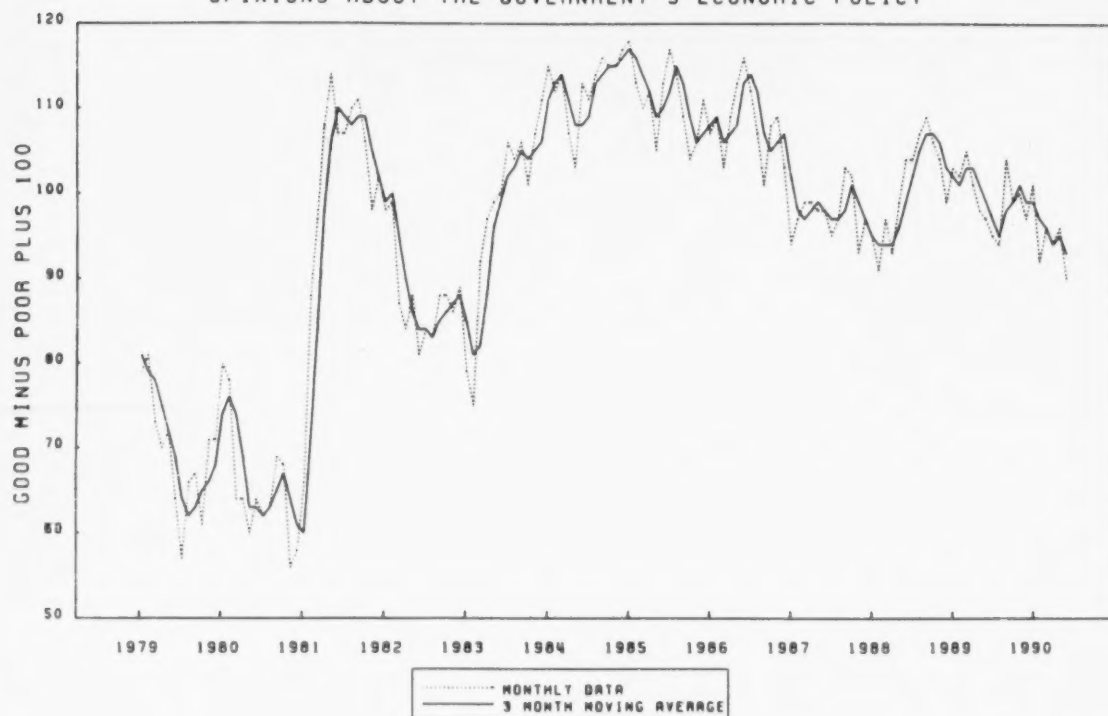


CHART 20 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

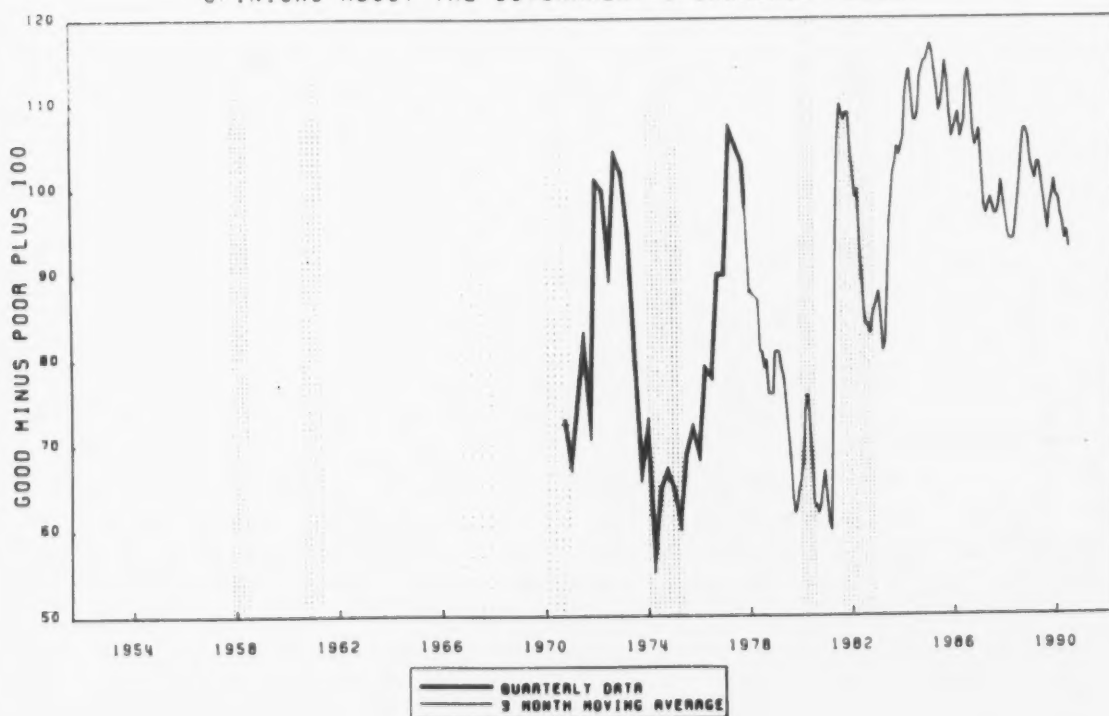


TABLE 20

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990
A GOOD JOB	20%	18%	18%	21%	18%	17%	20%	18%	17%	19%	17%	19%	16%
ONLY FAIR	55	56	56	60	61	64	55	63	57	56	59	55	56
A POOR JOB	23	23	24	17	19	17	23	17	25	23	23	23	26
DK, NA	2	3	2	2	2	2	2	2	1	2	1	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	507	501	502	506	500	502	500	500	511	503	504	504	500

The question was: "As to the economic policy of the government—I mean steps taken to fight inflation or unemployment—would you say the government is doing a good job, only fair, or a poor job?"

CHART 21 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

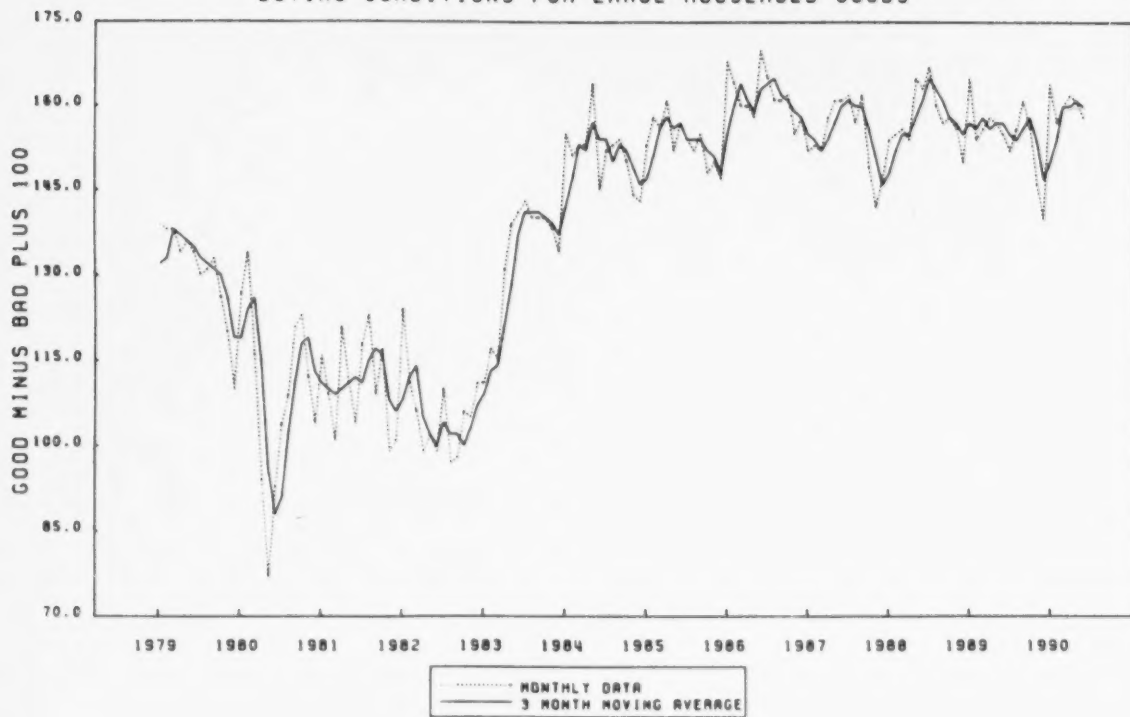


CHART 21 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

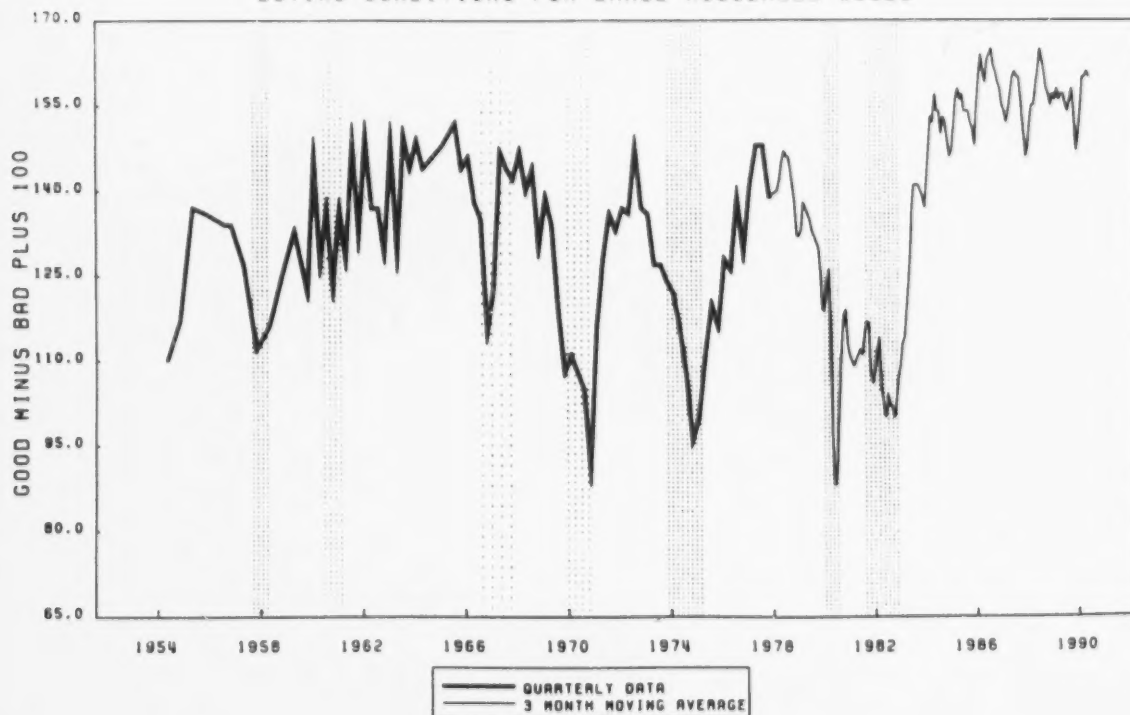


TABLE 21
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990
GOOD TIME TO BUY	71%	71%	73%	75%	73%	67%	65%	77%	74%	76%	78%	75%	75%
UNCERTAIN, DEPENDS	13	10	10	11	10	12	10	10	9	8	6	11	8
BAD TIME TO BUY	16	19	17	14	17	21	25	13	17	16	16	14	17
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	507	501	502	506	500	502	500	500	511	503	504	504	500

The question was: "About the big things people buy for their homes—such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 22A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

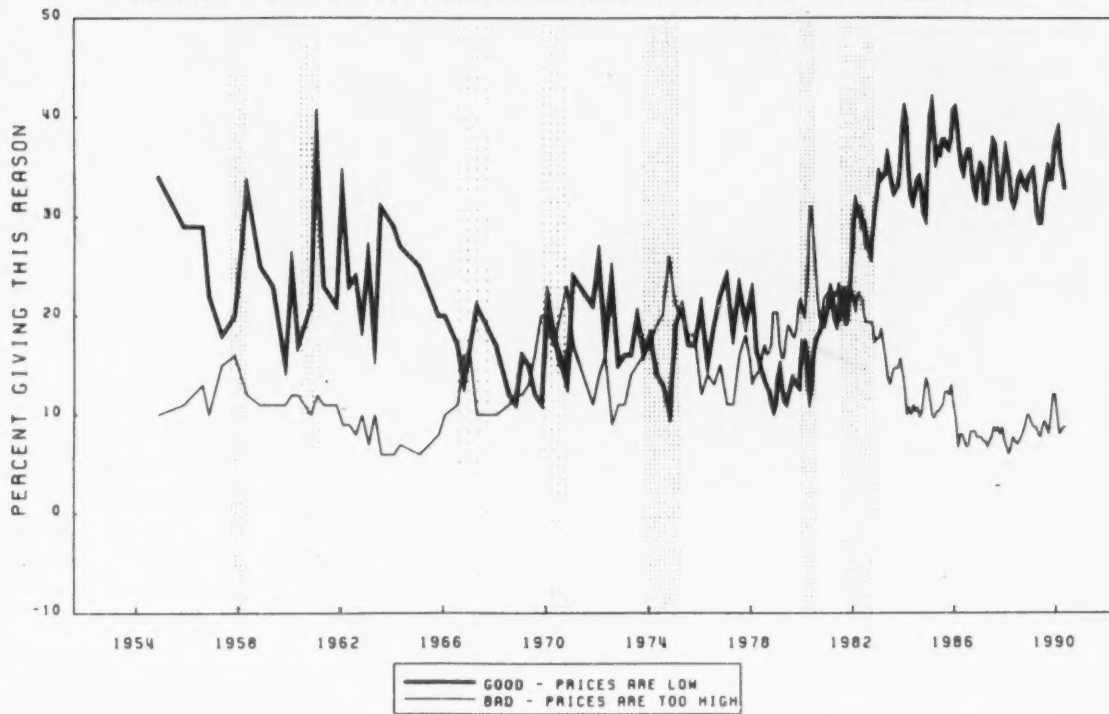


CHART 22B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

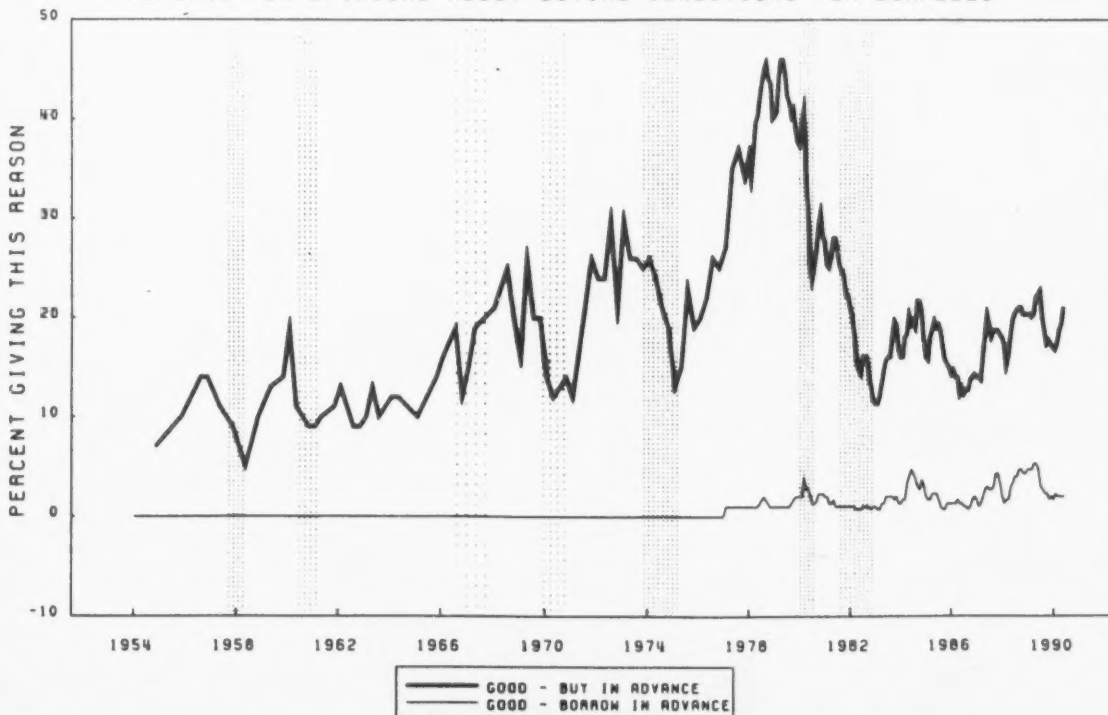


TABLE 22
SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS+

	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990
GOOD TIME TO BUY:													
Prices are low; good buys available	30%	31%	35%	34%	35%	32%	34%	45%	35%	36%	35%	32%	31%
Prices won't come down; are going higher	21	23	16	17	19	17	16	18	16	18	22	18	23
Interest rates are low	5	7	7	7	5	7	5	5	5	8	5	5	6
Borrow-in-advance of rising interest rates	3	2	3	2	2	1	3	1	3	2	1	3	2
Times are good; prosperity	6	5	2	8	6	4	3	4	4	8	4	5	4
BAD TIME TO BUY:													
Prices are high	9	10	9	7	8	14	14	8	8	8	9	9	8
Interest rates are high; credit is tight	6	4	4	2	3	3	4	2	3	3	2	5	3
Times are bad; can't afford to buy	3	3	2	4	4	5	5	2	6	5	4	2	5
Bad times ahead; uncertain future	3	3	3	2	2	1	3	2	2	3	1	3	2

Responses to the query: "Why do you say so?" following the question on Table 21.
 + : May add to more than 100% due to multiple mentions.

CHART 22C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

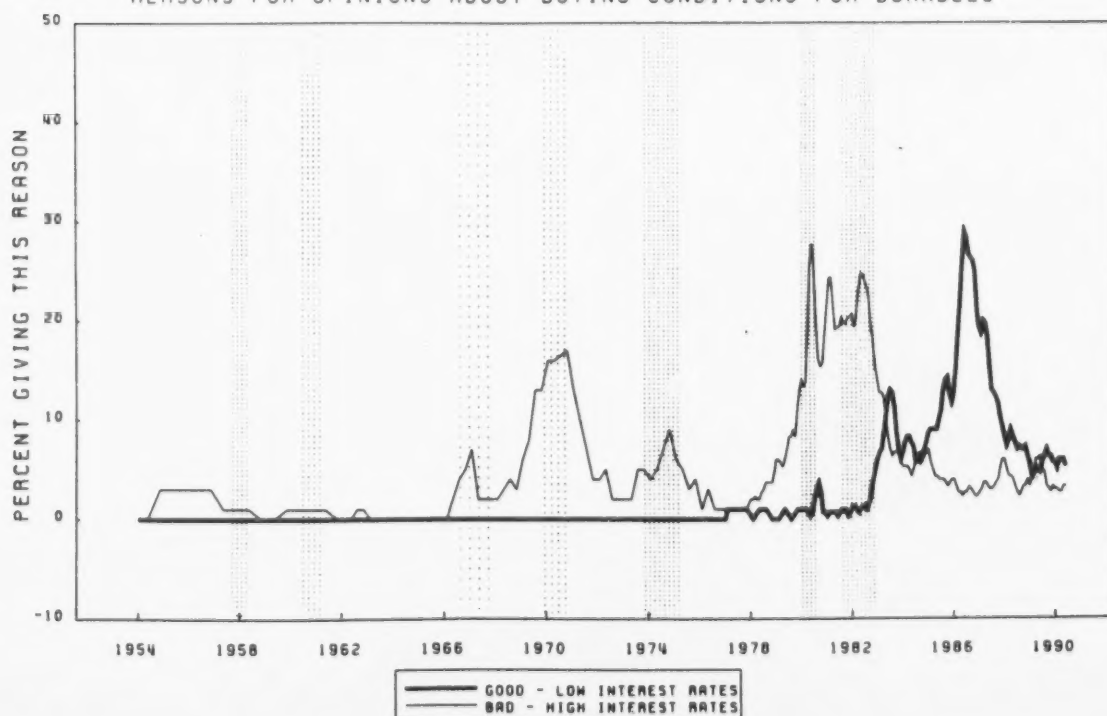


CHART 23 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES



CHART 23 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

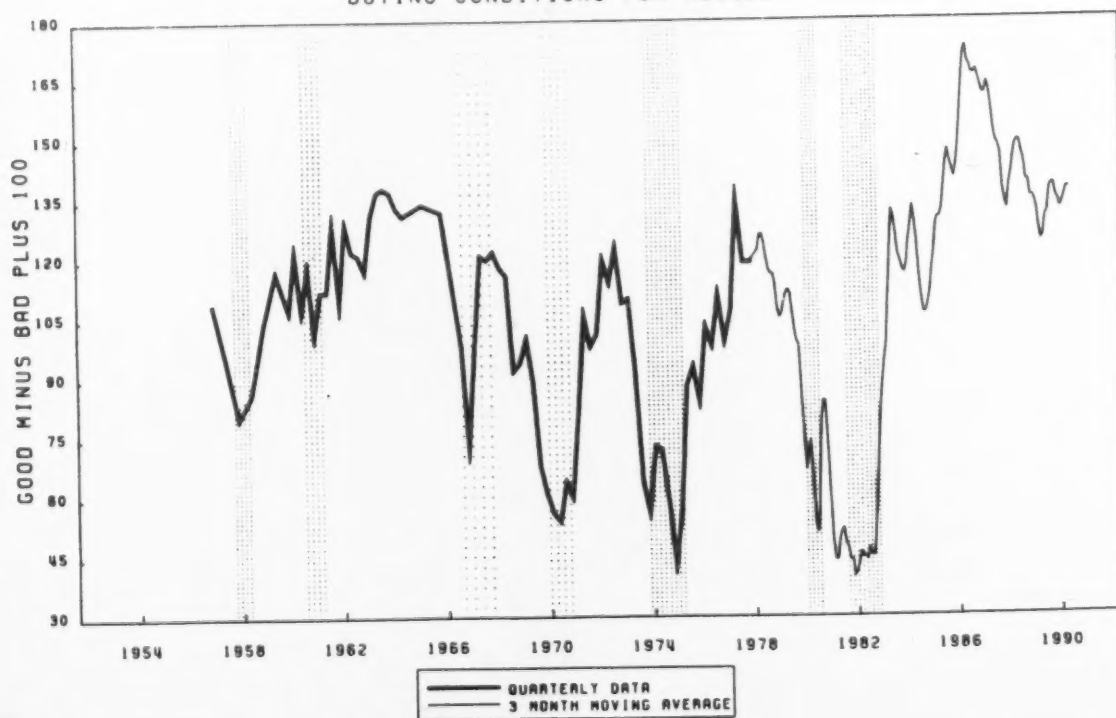


TABLE 23

BUYING CONDITIONS FOR HOUSES

	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990
GOOD TIME TO BUY	61%	64%	64%	70%	66%	63%	64%	64%	62%	66%	68%	66%	65%
UNCERTAIN, DEPENDS	5	6	4	4	5	7	6	7	4	4	4	4	4
BAD TIME TO BUY	34	30	32	26	29	30	30	29	34	30	28	30	31
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	507	501	502	506	500	502	500	500	511	503	504	504	500

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 24A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

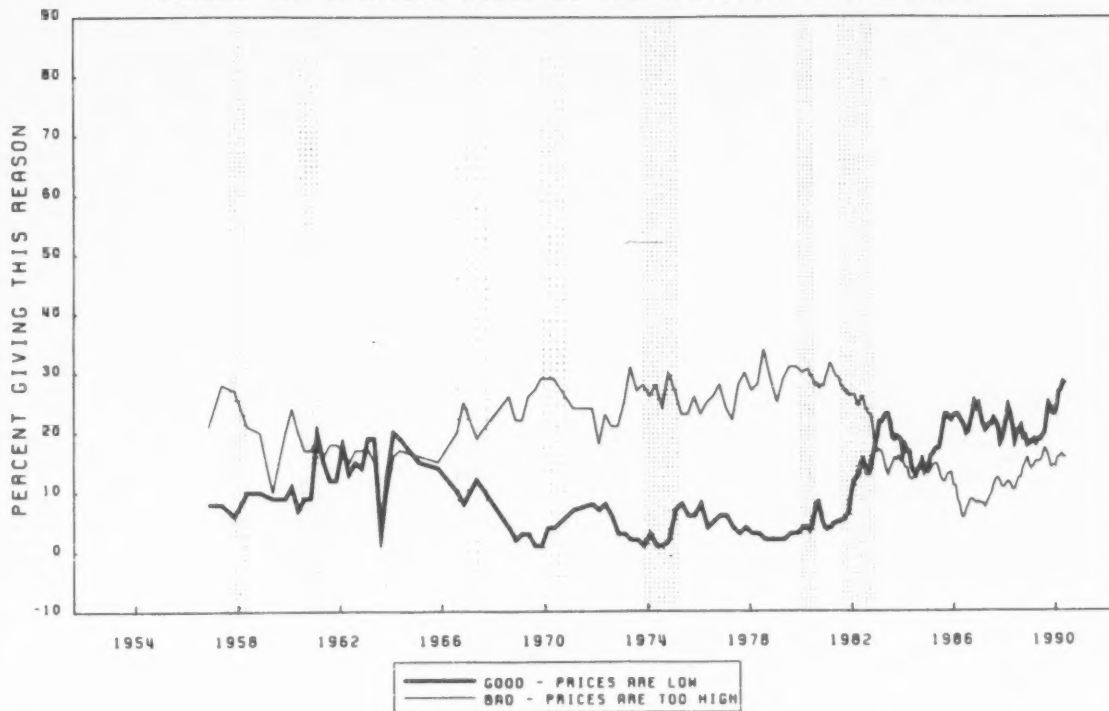


CHART 24B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

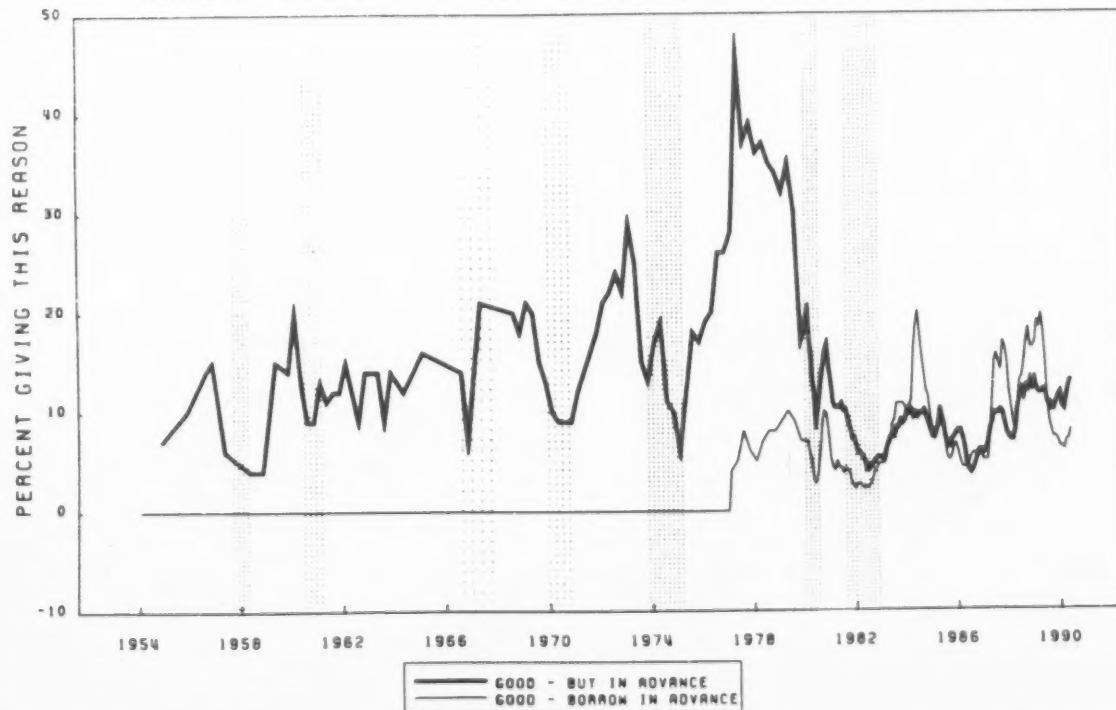


TABLE 24
SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990
GOOD TIME TO BUY:													
Prices are low; good buys available	17%	19%	23%	25%	26%	21%	22%	26%	25%	29%	27%	29%	28%
Prices won't come down; are going higher	12	9	11	10	9	13	12	10	9	11	14	13	12
Interest rates are low	22	27	28	36	29	29	26	31	25	28	25	17	24
Borrow-in-advance of rising interest rates	11	8	8	8	6	8	7	4	8	6	7	8	9
Good investment	9	8	6	7	6	8	8	8	6	6	9	7	9
Times are good; prosperity	3	5	3	4	5	2	3	2	3	4	5	4	1
BAD TIME TO BUY:													
Prices are high	16	18	18	14	15	13	15	14	18	15	16	16	15
Interest rates are high; credit is tight	23	15	15	14	13	15	17	13	18	18	14	14	19
Times are bad; can't afford to buy	5	6	6	6	6	8	6	6	8	5	7	6	4
Bad times ahead; uncertain future	2	2	2	2	1	2	3	4	2	4	1	2	5

Responses to the query: "Why do you say so?" following the question on Table 23.
+ : May add to more than 100% due to multiple mentions.

CHART 24C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

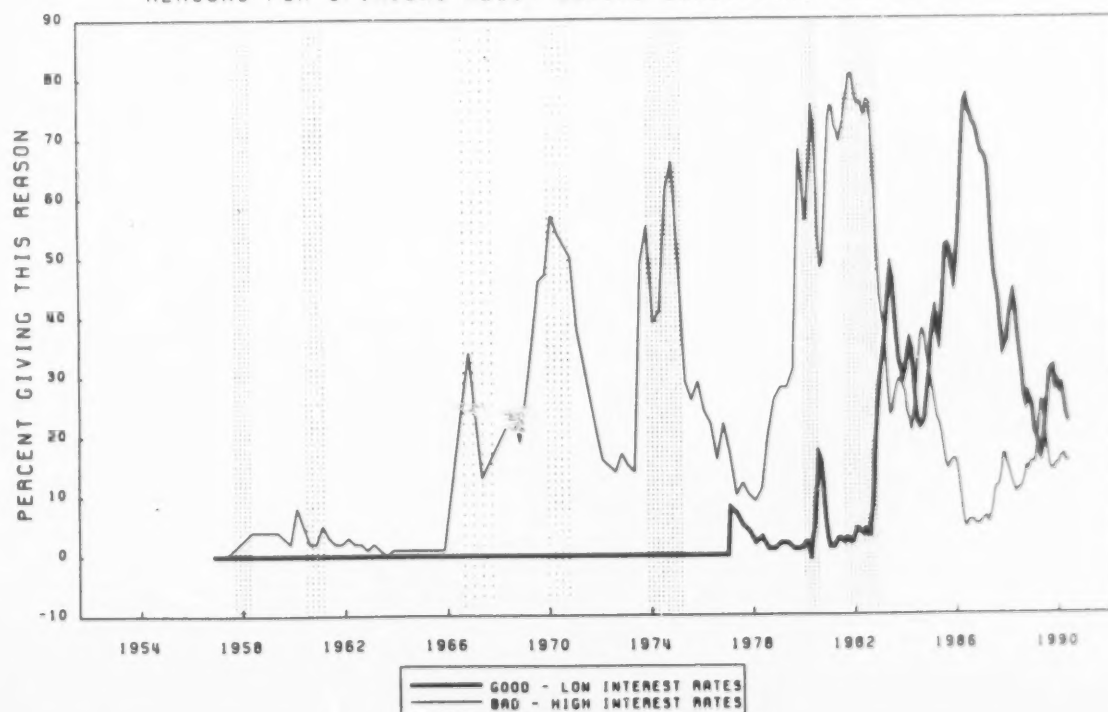


CHART 25 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

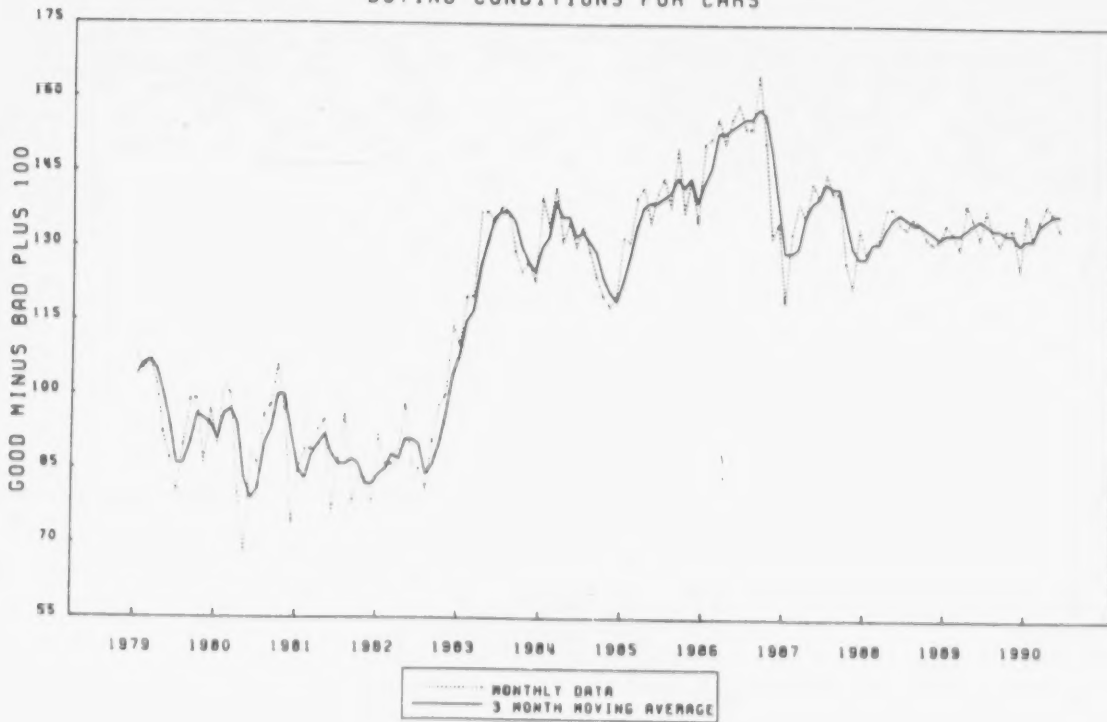


CHART 25 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

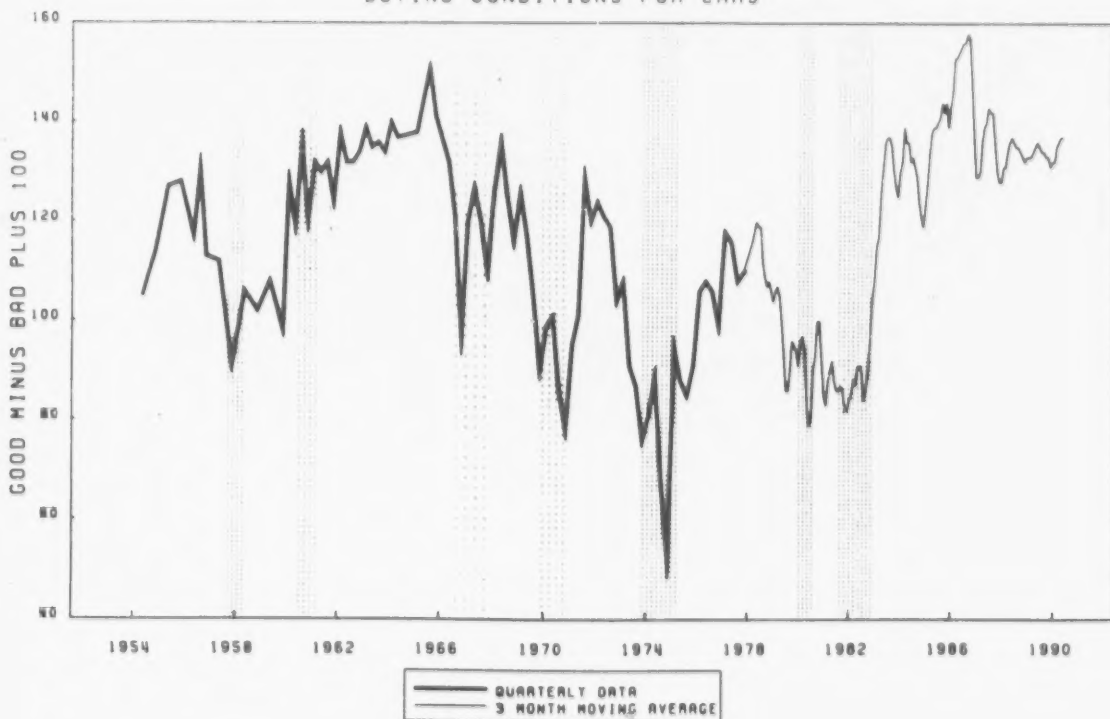


TABLE 25

BUYING CONDITIONS FOR CARS

	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990
GOOD TIME TO BUY	61%	64%	61%	61%	62%	62%	58%	63%	63%	65%	66%	64%	63%
UNCERTAIN; DEPENDS	10	10	11	9	10	10	10	11	6	6	7	9	8
BAD TIME TO BUY	29	26	28	30	28	28	32	26	31	29	27	27	29
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	507	501	502	506	500	502	500	500	511	503	504	504	500

The question was: "Speaking now of the automobile market—do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 26A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

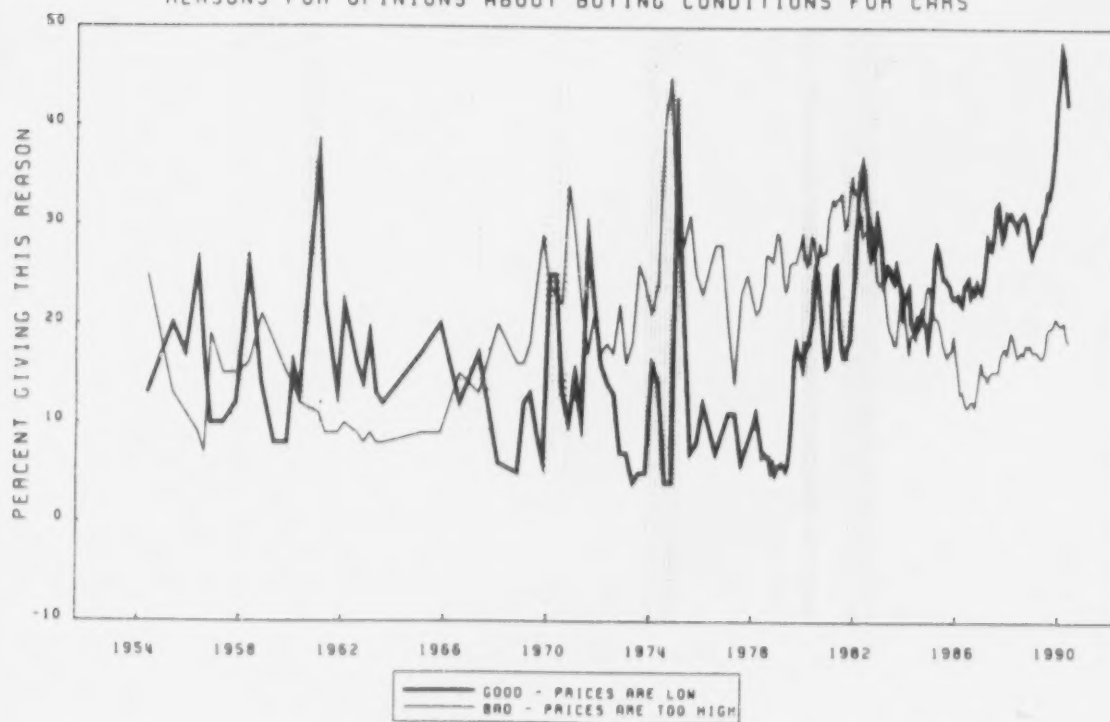


CHART 26B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

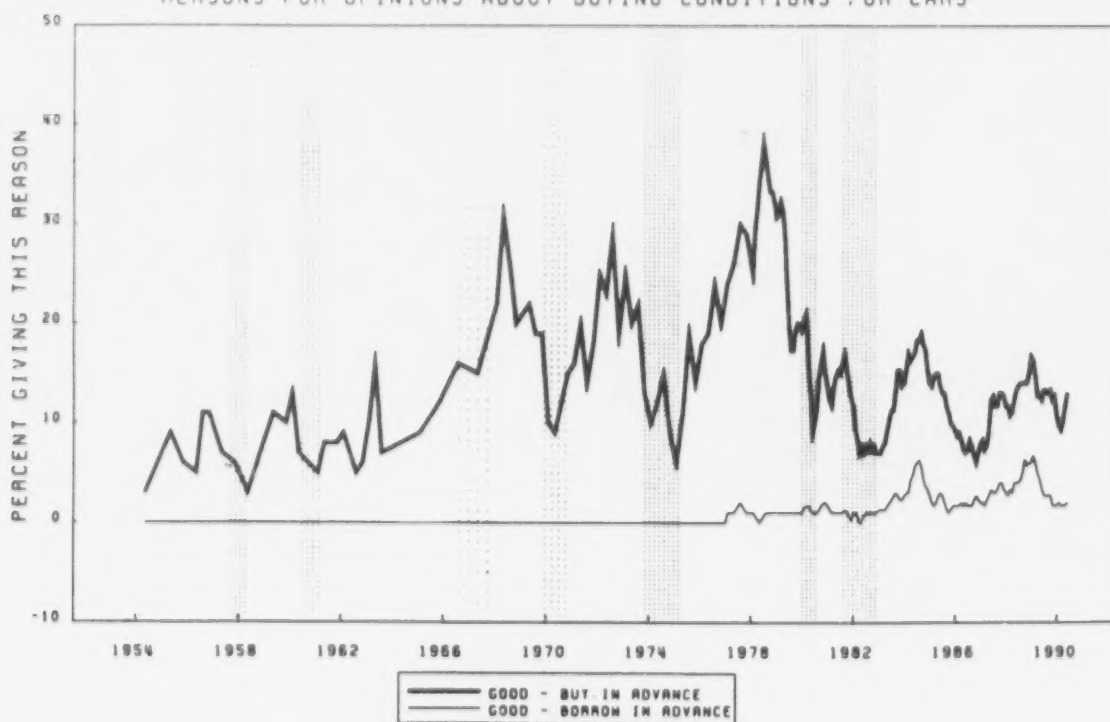
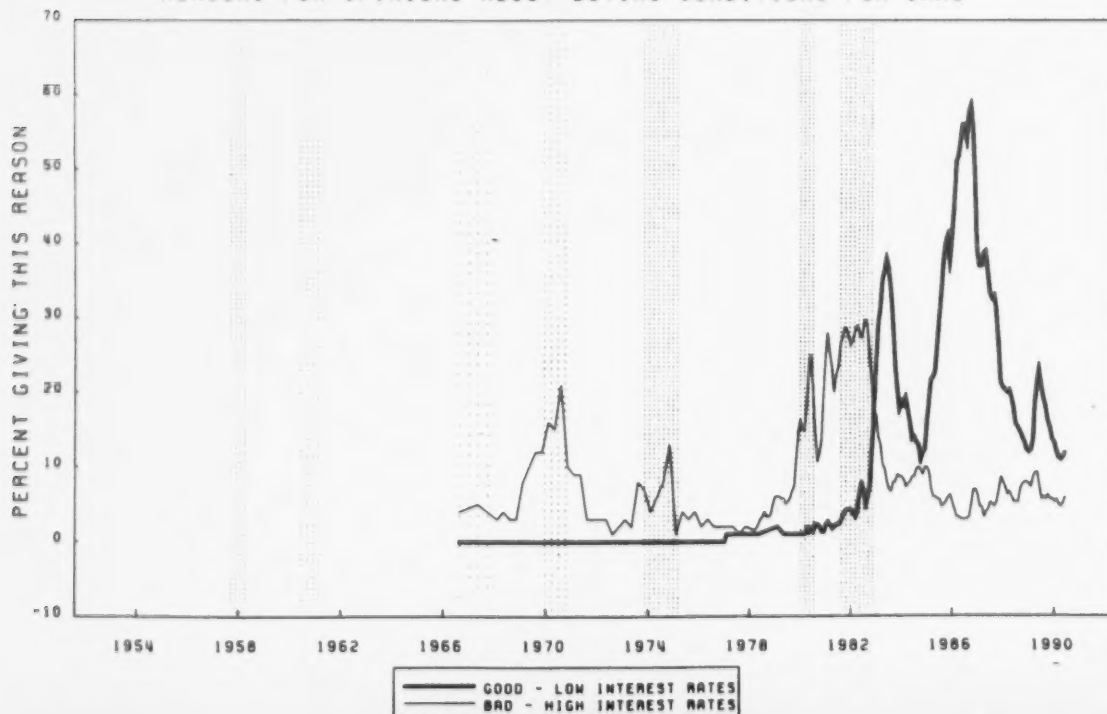


TABLE 26
SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	June 1989	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990
GOOD TIME TO BUY:													
Prices are low; good buys available	33%	32%	35%	32%	36%	41%	38%	48%	48%	48%	45%	41%	41%
Prices won't come down; are going higher	11	15	14	10	16	11	11	10	8	10	13	12	14
Interest rates are low	21	19	18	18	13	15	13	12	11	11	11	12	13
Borrow-in-advance of rising interest rates	2	2	4	2	2	1	2	2	2	1	2	2	2
Times are good; prosperity	2	3	2	4	3	2	1	2	2	2	2	1	2
BAD TIME TO BUY:													
Prices are high	18	18	22	19	18	23	21	17	22	21	18	17	20
Interest rates are high; credit is tight	7	4	7	6	6	5	6	5	6	4	4	7	7
Lack of purchasing power	4	3	4	6	5	5	5	4	6	6	6	4	6
Times are bad; can't afford to buy	3	2	2	5	4	4	4	2	4	4	4	2	3
Bad times ahead; uncertain future	1	1	2	1	2	1	1	2	2	2	2	2	3
Poor selection; quality	2	3	2	3	2	3	4	3	3	4	2	3	4

Responses to the query: "Why do you say so?" following the question on Table 25.
+ : May add to more than 100% due to multiple mentions.

CHART 26C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS



EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES

THE INDEX OF CONSUMER SENTIMENT

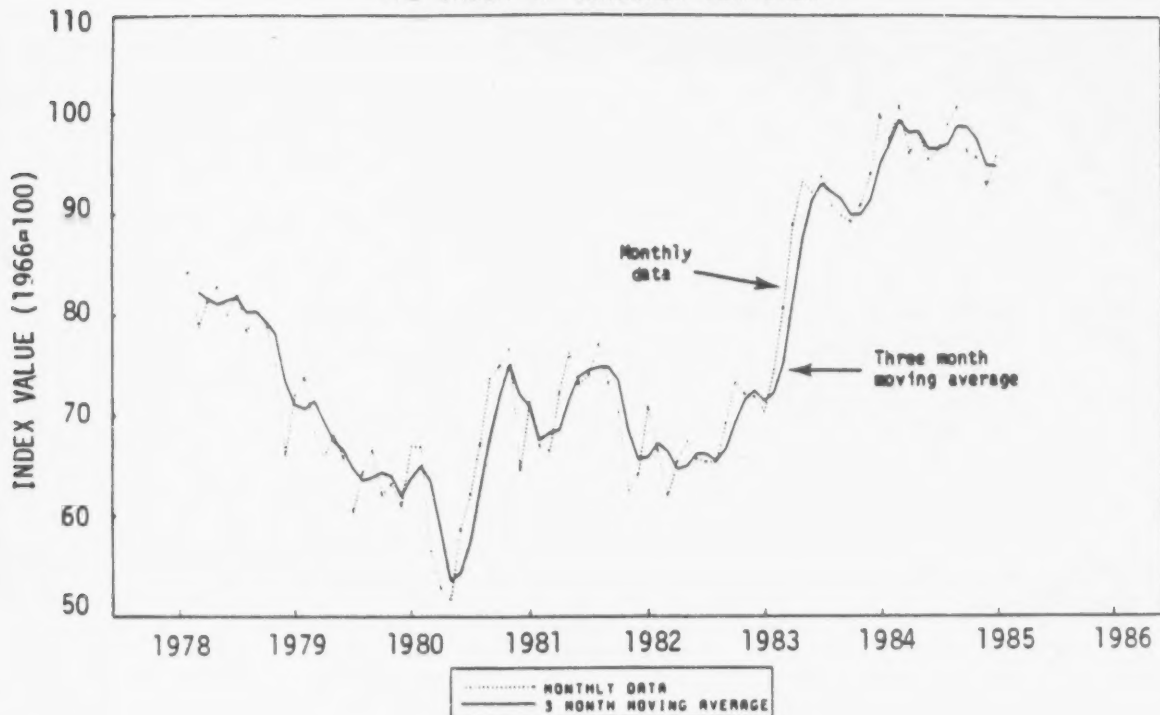
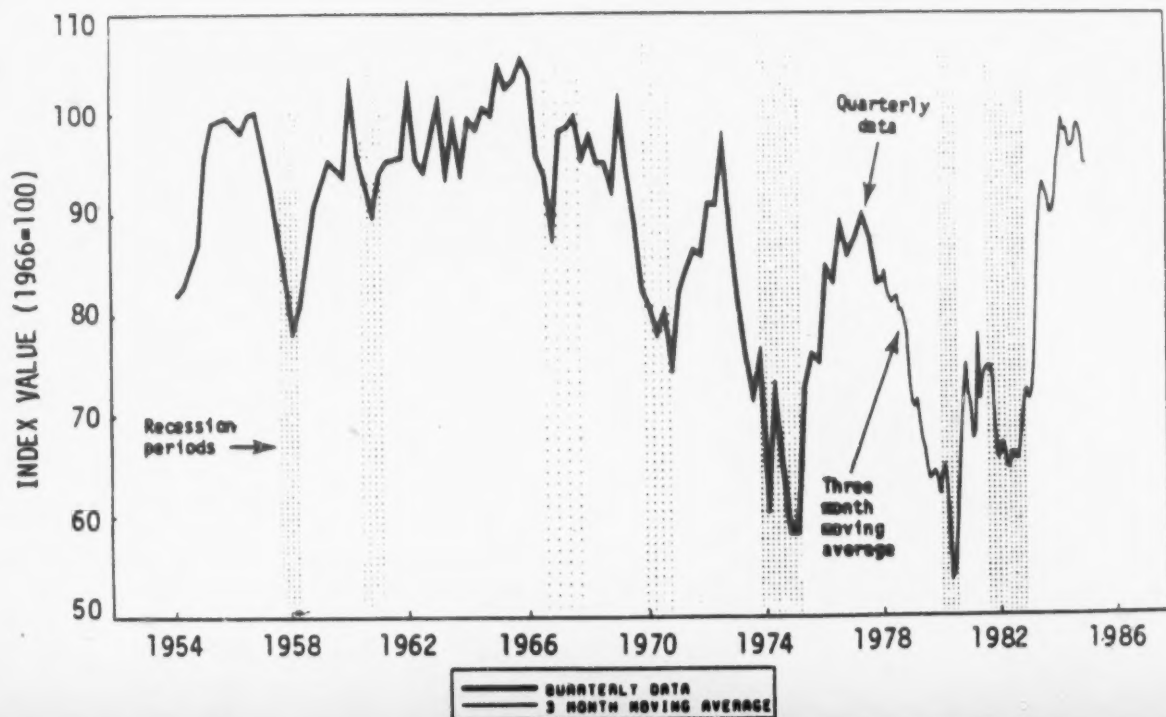


CHART 1 - HISTORICAL SERIES

THE INDEX OF CONSUMER SENTIMENT



RECOMMENDED ALLOWANCE FOR SAMPLING ERROR OF A PERCENTAGE
(Sampling Error Allowance in Percentage Points¹)

For Estimated Percentage Near	Number of Interviews											
	100	200	300	400	500	750	1000	1250	1500	2000	2500	3000
1% or 99%	2.2	1.6	1.3	1.1	1.0	0.8	0.7	0.6	0.6	0.5	0.4	0.4
5% or 95%	4.9	3.5	2.8	2.4	2.2	1.8	1.5	1.4	1.3	1.1	1.0	0.9
10% or 90%	6.7	4.8	3.9	3.4	3.0	2.4	2.1	1.9	1.7	1.5	1.3	1.2
20% or 80%	9.0	6.3	5.2	4.5	4.0	3.3	2.8	2.5	2.3	2.0	1.8	1.6
30% or 70%	10.3	7.3	5.9	5.1	4.6	3.7	3.2	2.9	2.6	2.3	2.0	1.9
40% or 60%	11.0	7.8	6.3	5.5	4.9	4.0	3.5	3.1	2.8	2.4	2.2	2.0
50%	11.2	7.9	6.5	5.6	5.0	4.1	3.5	3.2	2.9	2.5	2.2	2.0

¹The figures in this table represent two standard errors. Hence, the chances are 95 in 100 that the true percentage lies within a range equal to the observed percentage, plus or minus the sampling error.

DESCRIPTION OF CHARTS

DATA POINTS

QUARTERLY DATA: Data collected by surveys conducted at three month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

**THREE-MONTH
MOVING AVERAGE:** Each point plotted represents the average of the three monthly observations ending at the date plotted.

TIME SCALE

Each tic mark on the time scale represents the month of January for the indicated year.

RECESSION PERIODS

November	1948 - October	1949
July	1953 - May	1954
August	1957 - April	1958
April	1960 - February	1961
June	1966 - November	1967*
December	1969 - November	1970
November	1973 - March	1975
January	1980 - July	1980
July	1981 - November	1982

Recession dates are determined by the National Bureau of Economic Research.

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters

***GROWTH RECESSION:** Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

Surveys of Consumers

Richard T. Curtin, *Director*

PROSPECTS FOR ECONOMY DIM IN JULY SURVEY SENTIMENT VULNERABLE TO FURTHER DECLINES

Potential Impact From Middle East Crisis

The July 1990 survey reflects conditions prior to the recent developments in the Middle East. To be sure, these developments are likely to have an immediate and negative impact on consumer sentiment. What is not as clear is how deep and how lasting the decline will be.

The immediate increase in gasoline prices acted to translate distant problems into hometown concerns, and changes in global markets into concerns about family budgets. Unlike the stock market crash of 1987, where only a minority of consumers were shareholders, nearly all consumers sense a direct economic stake in the current crisis.

Like the stock market crash of 1987, the initial reaction of consumers is more likely to be a heightened sense of uncertainty about the future rather than outright pessimism. The developments in the weeks to come will play an important role in forming the responses of consumers to this crisis. The high levels of uncertainty caused by the 1987 stock market crash quickly dissipated. The same could happen in the current situation, if events warrant.

To be sure, the current crisis comes at a time when consumer confidence is already weakened, and may act to reinforce and accelerate that downward momentum. Moreover, the recent developments focus directly on the several areas of strength in the current data, in particular personal finances and the easing of concerns with inflation and interest rates.

Index Unchanged At Lower Level

Consumer confidence remained unchanged in the July survey at the depressed June level. Among all families, the Index of Consumer Sentiment was 88.2 in July, just below the 88.3 recorded one month earlier, but significantly below the 92.0 one year earlier. Excluding the two months following the 1987 stock market crash, the current level of consumer confidence is the lowest since the expansion began.

Although the overall level of confidence remained unchanged in July, among lower income families it improved, while among higher income families it declined. Among families with incomes of \$40,000 or more, the Index fell to 94.4 in July from 99.1 in June and 101.9 in July 1989.

Significant Regional Differences in Confidence

In the July survey, sentiment remained the lowest among residents of the Northeast (82.6) and South (85.3), while the sentiment index was significantly higher among residents of the West (90.1) and North Central (93.3) regions. Since the Spring of 1990, those living in the Northeast and South have voiced the lowest levels of consumer confidence since the start of the current expansion.

The weakness in the Northeast has been present since the start of the year, with no further declines recorded during the past three months. The decline

in sentiment among the residents of the South has been more recent, with the Index falling from 100.1 in April to 85.3 in July. Although sentiment among Western residents remains at a favorable level, it too has suffered a significant loss in recent months, declining from 101.1 in April to 90.1 in July. In contrast, among residents of the North Central region sentiment has declined by only a minor amount, falling to 93.3 in July from 95.6 three months earlier.

Leading Indicator Posts Small Gain But Remains Low

The Index of Consumer Expectation, the component of the Index of Leading Indicators, rose slightly to 77.3 in the July 1990 survey from 76.6 one month earlier, but was significantly below the year-earlier figure of 85.5. Even with this small rebound, the Expectations Index was lower during the past two months than in any prior survey during the current expansion except for the brief dip following the 1987 stock market crash. At present, the Expectations Index is 20 Index-points below the 1984 cyclical peak, and 30 Index-points above the last cyclical low point.

Concerns Heighten Over Prospects for Economy

For the first time since the expansion began (again excluding the brief dip following the 1987 stock market crash), the balance of opinion among consumers pointed toward an unfavorable outlook for the general economy during the year ahead. Among all families in the July 1990 survey, 42 percent expected bad times financially in the economy as a whole, compared with 40 percent that expected good times financially. One year ago, nearly twice as many consumers expected good rather than bad times financially (53 versus 29 percent).

Longer term prospects for the economy were also viewed negatively. In the July 1990 survey, 50 percent of all families reporting that they expected bad times financially in the economy as a whole

during the next five years, up from 43 percent one year ago.

The major concern with prospects for the general economy involve increases in unemployment. Among all families in the July 1990 survey, 37 percent expected the national unemployment rate to increase during the year ahead, compare with just 7 percent that expected declines in unemployment.

Inflation and Interest Rates Post Small Improvements

Small improvements were recorded in inflation and interest rate expectations. Consumers expected the annual rate of inflation to average 4.7% during the year ahead in the July survey, down from 4.9% one month earlier and 5.1% one year earlier. Interest rate expectations continued on their slow path of improvement, with increases expected by 50 percent of all families in July, down from 56 percent in June.

Personal Finances Remain Positive

The proportion of American families that reported that their financial situation had improved stood at 43 percent in the July survey, unchanged from one and two months earlier. However, the proportion that reported that their financial situation had worsened rose to 28 percent in July from 24 percent in the prior two months. In explaining the changes in their financial situation, fewer families reported income gains in July than in the June survey (32, down from 34 percent), and reports of income declines rose (13, up from 11 percent).

Consumers continued to judge their financial prospects for the year ahead in favorable terms. Among all families, 37 percent expected their financial situation to improve during the year ahead, just above the 36 percent recorded one month earlier and the 35 percent recorded one year earlier. Importantly, just 10 percent of all families expected their financial situation to worsen during the year ahead in the July survey. Most families (51 percent) expected little if any change in their overall financial

situation, considering trends in both their incomes and prices.

Buying Conditions

Attitudes toward buying conditions remained at generally favorable levels in the July 1990 survey. These favorable attitudes are dependent to a greater extent than in any prior expansion on the availability of discounted prices. Without price discounts, consumers are ready and willing shop elsewhere or to postpone purchases until they are again offered.

Durables. Favorable attitudes toward buying conditions for furniture, appliances, and other large household durables were held by 73 percent of all families in the July 1990 survey, just between the 75 percent recorded one month earlier and the 71 percent recorded one year earlier. These favorable attitudes were predicated by the view that discounted prices would be available. Among all families in the July 1990 survey, 37 percent referred the availability of discounted prices, up from 31 percent both one month and one year earlier.

Vehicles. Favorable attitudes toward buying conditions for vehicles were held by 65 percent of all families in the July 1990 survey, just ahead of the 63 percent recorded one month earlier and the 64 percent recorded one year earlier. In explaining their views, 41 percent of all respondents mentioned the availability of price discounts in the July 1990 survey, unchanged from one and two months earlier.

Homes. Favorable attitudes toward buying conditions for homes were held by 66 percent of all families in the July 1990 survey, just ahead of the 65 percent recorded one month earlier and the 64 percent recorded one year earlier. Lower home prices continue to be the dominant reason given by consumers for these favorable views of home buying conditions. In the July 1990 survey, 29 percent mentioned lower home prices when asked to explain their view, tying the all-time peak first recorded in the Spring of 1990.

That home prices are lower is certainly seen as an

advantage for the buyer. Most home buyers, however, are also home sellers, and the price declines also represent a disadvantage. Indeed, when answering this question some respondents specifically qualified their views by the caveat: "It's a good time to buy, but not to sell." Since the question asks about buying conditions, the overall favorable level is likely to overstate market activity.

It has been suggested that a decline in the value of both the home they own and the one they wish to purchase would leave home buyers in an unchanged situation. While the economic equivalence may hold, there is little reason to expect an equivalence on a psychological basis. The importance attached to the decline in the value of their current home is much greater than the weight given to price declines in homes they might purchase.

This situation is somewhat similar to consumer reactions to COLA adjusted incomes: the income gains were often viewed as justified by individual effort and the price increases viewed as unwarranted dilutions of these hard won gains.

* * *

The July 1990 survey included 500 completed interviews conducted between July 1 and July 27, 1990.



Surveys of Consumers



SURVEYS OF CONSUMERS

JULY 1990

The July 1990 survey was the 264th in a series of Surveys of Consumers conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results for the total sample will differ by no more than 5 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

While every effort is made to accurately measure consumer attitudes and expectations, factors other than sampling may also affect the accuracy of these (and other) findings. These factors may include effects of the question wording, the ability of respondents to articulate answers and opinions, refusal to participate in the survey, and incomplete coverage of the population. There are no standard measures of these effects, but their presence should be acknowledged when using these and all other survey data. While measurement effects are present in all surveys, a noted advantage of time-series data is that the non-sampling influences remain relatively constant across samples.

Richard Curtin, Director • Surveys of Consumers • P.O. Box 1248 • Ann Arbor, Michigan 48106
Phone: (313) 763-5224 • Fax: (313) 764-3488

TABLE OF CONTENTS

TABLE	TITLE
-------	-------

- | | |
|-----|---|
| 1. | The Index of Consumer Sentiment |
| 2. | Index of Consumer Sentiment within Region and Age Subgroups |
| 3. | Components of the Index of Consumer Sentiment |
| 4. | Current Financial Situation Compared to a Year Ago |
| 5. | Selected Reasons for Opinions About Personal Financial Situation |
| 6. | Expected Change in Financial Situation |
| 7. | Trend in Personal Financial Situation |
| 8. | Expected Family Income Change During the Next 12 Months |
| 9. | Expected Change in Real Family Income |
| 10. | News Heard of Recent Changes in Business Conditions |
| 11. | Selected Items of News Heard of Recent Changes in Business Conditions |
| 12. | Current Business Conditions Compared to a Year Ago |
| 13. | Expected Change in Business Conditions in a Year |
| 14. | Trend in Past and Expected Changes in Business Conditions |
| 15. | Business Conditions Expected During the Next 12 Months |
| 16. | Business Conditions Expected During the Next 5 Years |
| 17. | Expected Change in Unemployment |
| 18. | Expected Change in Interest Rates |
| 19. | Expected Change in Prices During the Next 12 Months |
| 20. | Opinions About the Government's Economic Policy |
| 21. | Buying Conditions for Large Household Goods |
| 22. | Selected Reasons About Buying Conditions for Large Household Goods |
| 23. | Buying Conditions for Houses |
| 24. | Selected Reasons for Opinions About Buying Conditions for Houses |
| 25. | Buying Conditions for Cars |
| 26. | Selected Reasons for Opinions About Buying Conditions for Cars |
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CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT



CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

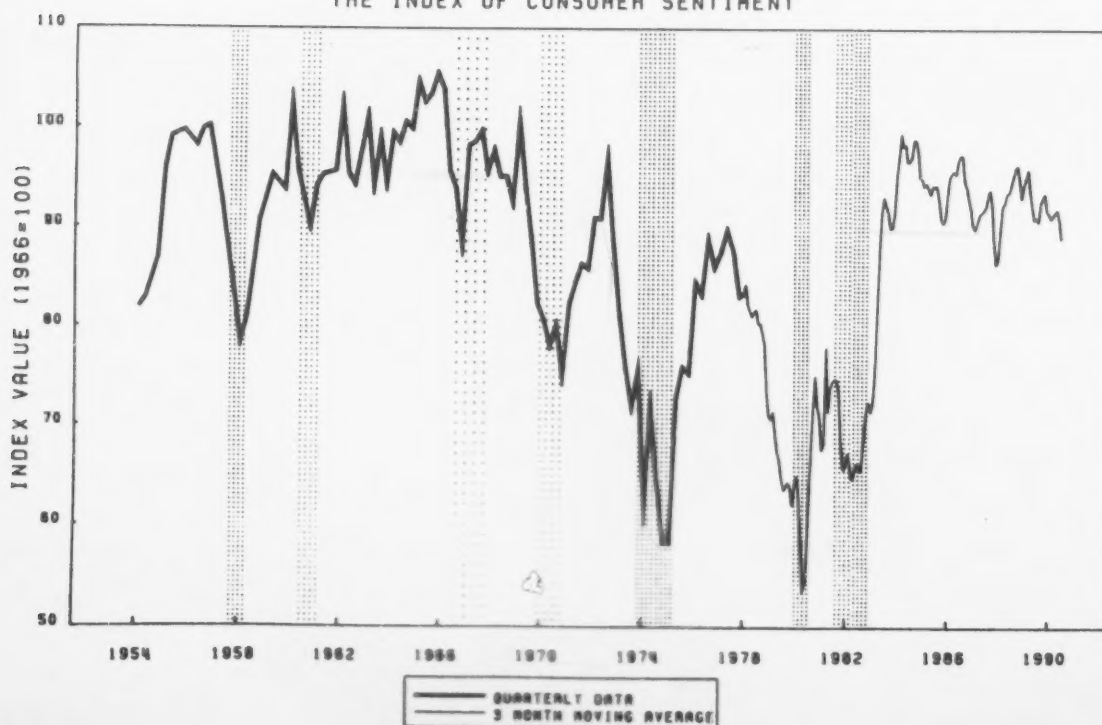


TABLE 1
THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY		All families	Families with incomes over \$30,000	Families with incomes over \$40,000
July	1987	93.7	102.5	104.0
August	1987	94.4	104.4	109.1
September	1987	93.6	100.6	104.3
October	1987	89.3	99.9	101.8
November	1987	83.1	87.7	90.5
December	1987	86.8	94.5	96.1
January	1988	90.8	99.0	99.9
February	1988	91.6	98.1	100.8
March	1988	94.6	103.7	104.6
April	1988	91.2	99.1	99.6
May	1988	94.8	106.6	108.3
June	1988	94.7	102.3	102.7
July	1988	93.4	100.5	103.9
August	1988	97.4	105.1	104.2
September	1988	97.3	102.8	105.4
October	1988	94.1	103.0	103.7
November	1988	93.0	102.0	101.0
December	1988	91.9	97.0	99.5
January	1989	97.9	108.4	106.8
February	1989	95.4	104.6	109.6
March	1989	94.3	98.6	100.0
April	1989	91.5	99.1	99.8
May	1989	90.7	100.6	100.3
June	1989	90.6	95.2	95.4
July	1989	92.0	103.2	101.9
August	1989	89.6	93.5	93.1
September	1989	95.8	104.1	103.0
October	1989	93.9	100.2	103.6
November	1989	90.9	99.4	100.5
December	1989	90.5	100.0	104.1
January	1990	93.0	99.9	103.2
February	1990	89.5	93.9	91.8
March	1990	91.3	98.4	98.8
April	1990	93.9	99.8	103.3
May	1990	90.6	97.1	98.6
June	1990	88.3	97.9	99.1
July	1990	88.2	93.9	94.4

CHART 2A - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

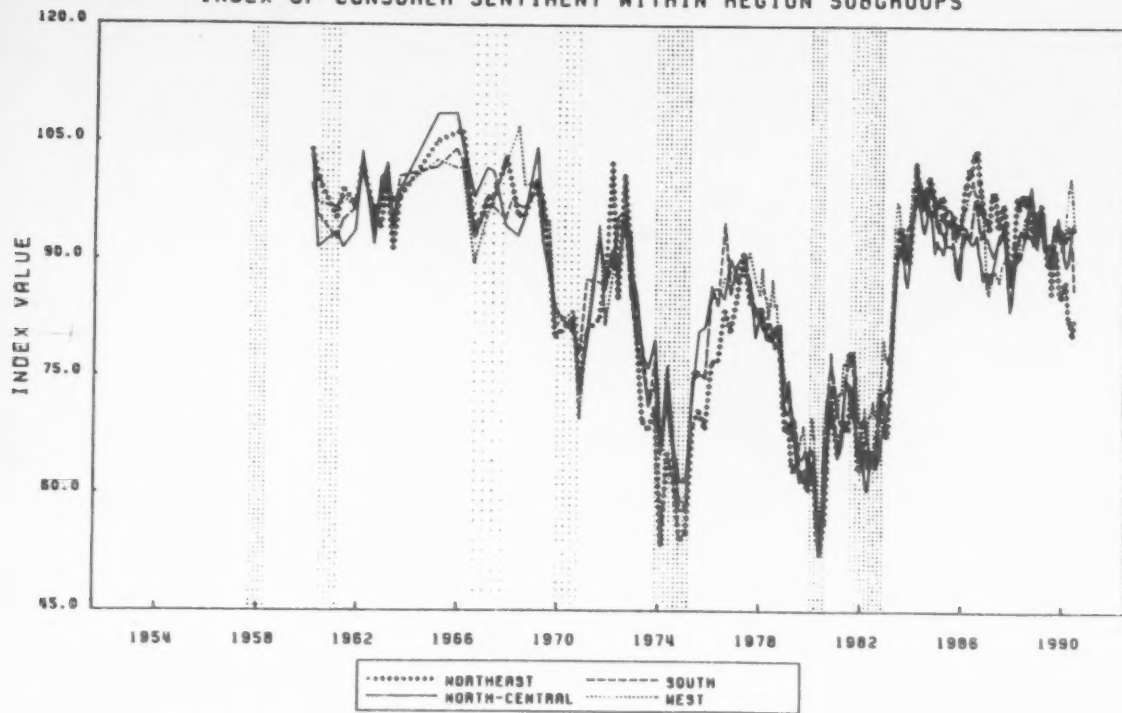


CHART 2B - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

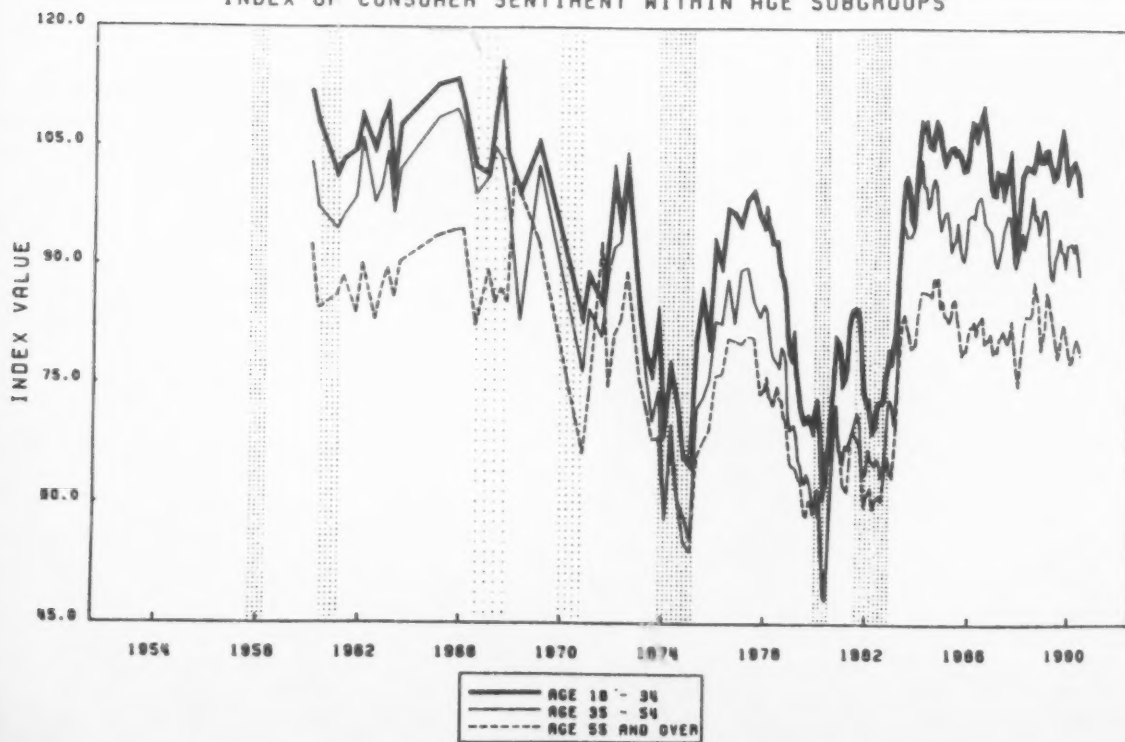


TABLE 2
INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY	CENSUS REGION				AGE OF RESPONDENT		
	North East	North Central	South	West	18-34	35-54	55+
July 1987	100.1	95.7	93.8	85.2	103.0	97.8	80.2
August 1987	99.0	91.0	95.2	93.2	103.3	95.8	80.8
September 1987	92.2	94.7	94.9	91.5	104.1	95.4	82.6
October 1987	93.8	87.2	88.3	89.1	92.0	89.9	86.2
November 1987	83.9	79.6	87.9	79.4	91.7	86.6	70.8
December 1987	83.4	83.6	90.4	89.2	94.1	92.9	73.6
January 1988	99.8	91.3	87.6	88.5	98.3	93.6	80.1
February 1988	93.7	92.1	92.8	86.3	102.5	90.3	79.9
March 1988	101.2	92.9	91.6	95.3	103.5	98.9	80.0
April 1988	94.9	93.9	88.6	89.0	100.0	87.5	86.6
May 1988	99.1	95.5	91.1	97.3	104.2	95.4	84.7
June 1988	98.1	91.2	95.9	95.2	103.1	102.0	79.5
July 1988	98.3	92.0	91.8	94.0	99.6	93.0	86.6
August 1988	95.7	100.9	94.4	98.5	103.6	101.7	86.3
September 1988	95.2	101.9	93.3	97.6	106.1	93.3	91.4
October 1988	91.8	96.1	92.9	96.6	105.8	94.6	82.0
November 1988	95.8	90.6	90.5	98.9	100.4	94.3	82.2
December 1988	90.8	90.2	96.1	88.0	103.7	97.1	73.9
January 1989	96.9	94.2	99.9	102.2	105.8	100.3	86.7
February 1989	103.5	99.2	88.8	93.6	104.3	94.2	86.7
March 1989	91.5	95.8	96.1	92.2	103.9	91.8	87.0
April 1989	83.9	94.6	93.4	90.3	101.0	87.5	83.8
May 1989	99.9	86.7	87.3	94.3	102.2	86.9	81.9
June 1989	84.7	91.2	94.4	89.8	100.0	90.4	81.1
July 1989	87.2	91.9	95.6	91.8	101.9	95.8	78.0
August 1989	85.2	93.6	85.0	95.7	105.7	88.9	76.1
September 1989	97.1	98.8	94.0	92.7	107.1	96.2	84.9
October 1989	92.1	89.6	99.5	92.6	107.3	90.5	83.9
November 1989	77.5	98.7	87.2	99.4	102.2	88.6	79.3
December 1989	87.1	89.2	93.5	90.7	99.3	90.3	80.4
January 1990	91.0	94.2	93.8	92.2	101.4	99.5	78.3
February 1990	82.0	88.2	91.5	95.1	104.9	88.2	74.7
March 1990	89.5	85.5	92.5	101.5	101.7	91.4	81.1
April 1990	75.9	95.6	100.1	101.1	102.8	96.0	83.6
May 1990	80.4	96.5	88.0	99.5	102.6	91.6	77.9
June 1990	84.6	92.1	85.5	92.3	99.5	85.8	79.2
July 1990	82.6	93.3	85.3	90.1	95.1	89.4	79.2

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

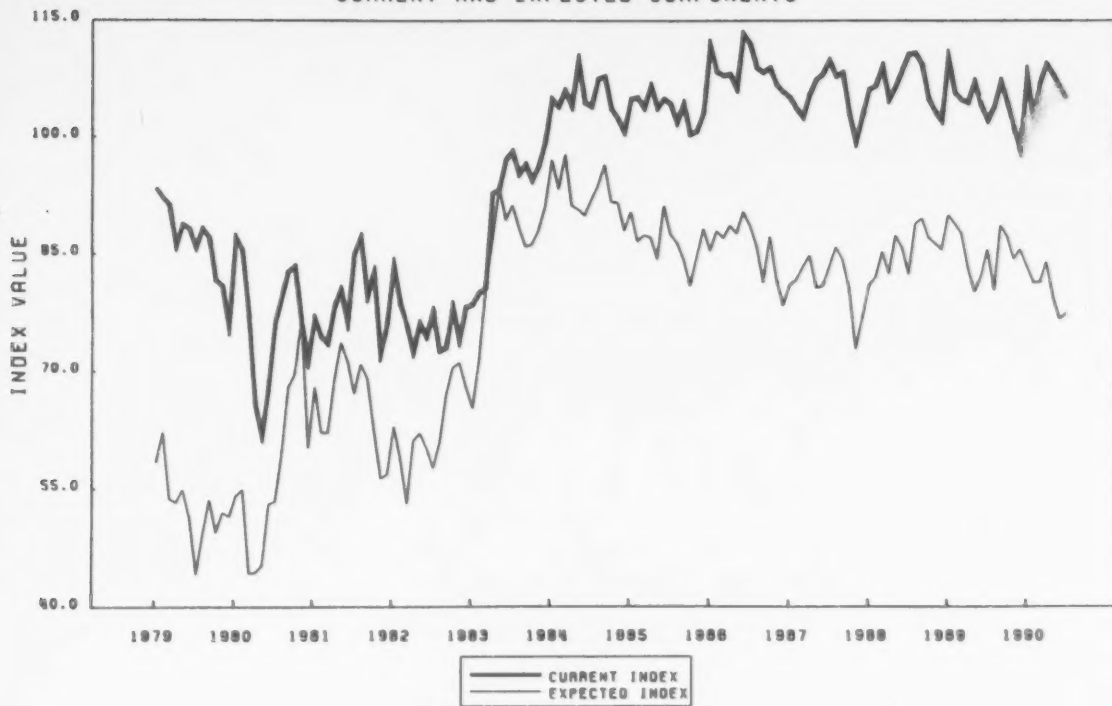


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

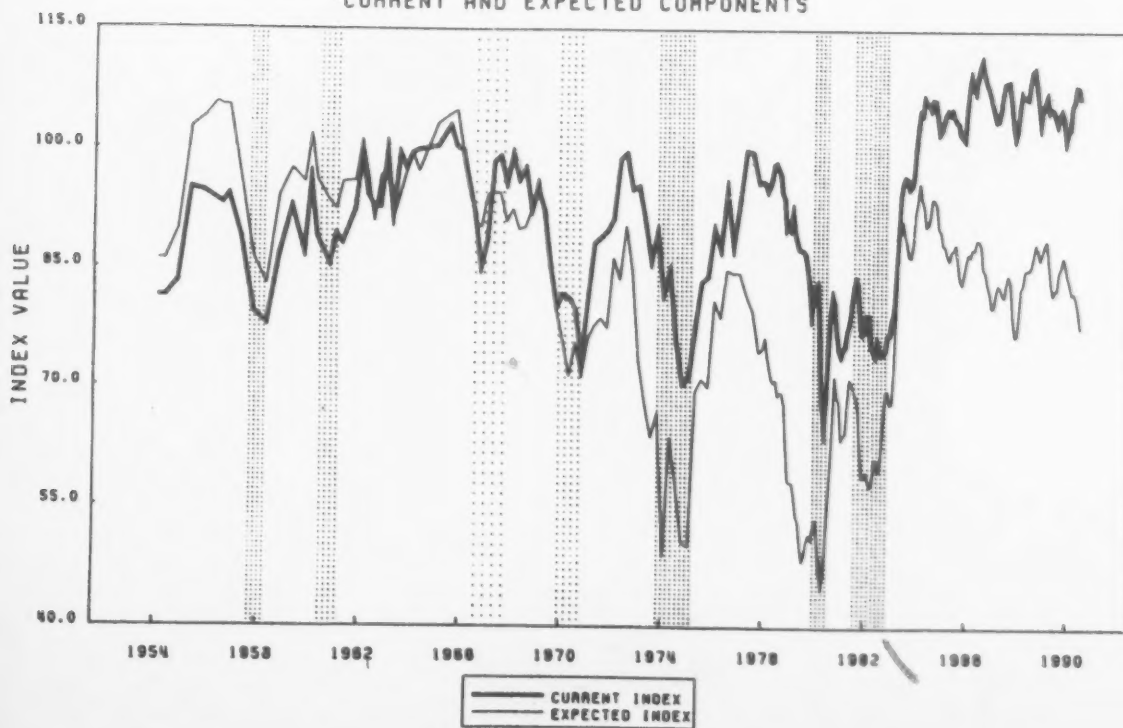


TABLE 3
COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT
INDEX COMPONENTS +

DATE OF SURVEY	Personal finances		Business conditions		Buying conds.	Current Index	Expected Index
	Current	Expected	12 months	5 years			
	(1)	(2)	(3)	(4)	(5)	(1,5)	(2,3,4)
July 1987	123	123	118	94	162	109.9	83.3
August 1987	122	127	125	93	157	107.8	85.8
September 1987	119	124	122	92	162	108.3	84.2
October 1987	118	128	105	90	149	103.1	80.4
November 1987	115	118	93	80	142	99.3	72.7
December 1987	119	120	98	89	147	102.7	76.7
January 1988	122	131	110	84	154	106.2	80.9
February 1988	122	130	108	90	155	106.6	81.9
March 1988	127	133	114	96	156	109.1	85.2
April 1988	117	125	117	89	154	104.8	82.4
May 1988	111	127	125	98	165	106.5	87.3
June 1988	119	129	121	95	163	108.6	85.7
July 1988	120	128	106	96	167	110.7	82.3
August 1988	127	127	125	105	160	110.8	88.8
September 1988	127	133	125	102	157	109.4	89.5
October 1988	114	124	129	97	158	105.0	87.0
November 1988	112	128	122	97	156	103.3	86.3
December 1988	114	127	119	98	150	102.0	85.5
January 1989	121	131	128	103	165	110.3	89.9
February 1989	120	130	128	99	154	105.7	88.8
March 1989	116	131	123	98	156	104.8	87.6
April 1989	113	130	113	91	158	104.4	83.2
May 1989	121	125	107	89	157	107.1	80.1
June 1989	115	123	115	90	155	104.1	82.0
July 1989	112	123	124	96	152	102.1	85.5
August 1989	114	126	109	88	156	103.9	80.3
September 1989	117	129	127	101	161	107.1	88.6
October 1989	114	134	124	93	156	104.4	87.2
November 1989	116	130	116	92	146	101.2	84.3
December 1989	115	129	115	99	140	98.2	85.5
January 1990	116	124	119	92	164	108.0	83.4
February 1990	108	126	111	90	157	102.3	81.3
March 1990	117	125	108	93	160	106.9	81.3
April 1990	122	136	110	92	162	109.4	83.9
May 1990	119	126	110	83	161	108.1	79.3
June 1990	119	125	100	83	158	106.5	76.6
July 1990	115	127	98	84	158	105.1	77.3

(1) See Table 4 (2) See Table 6 (3) See Table 15 (4) See Table 16 (5) See Table 21.
+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES"
(or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

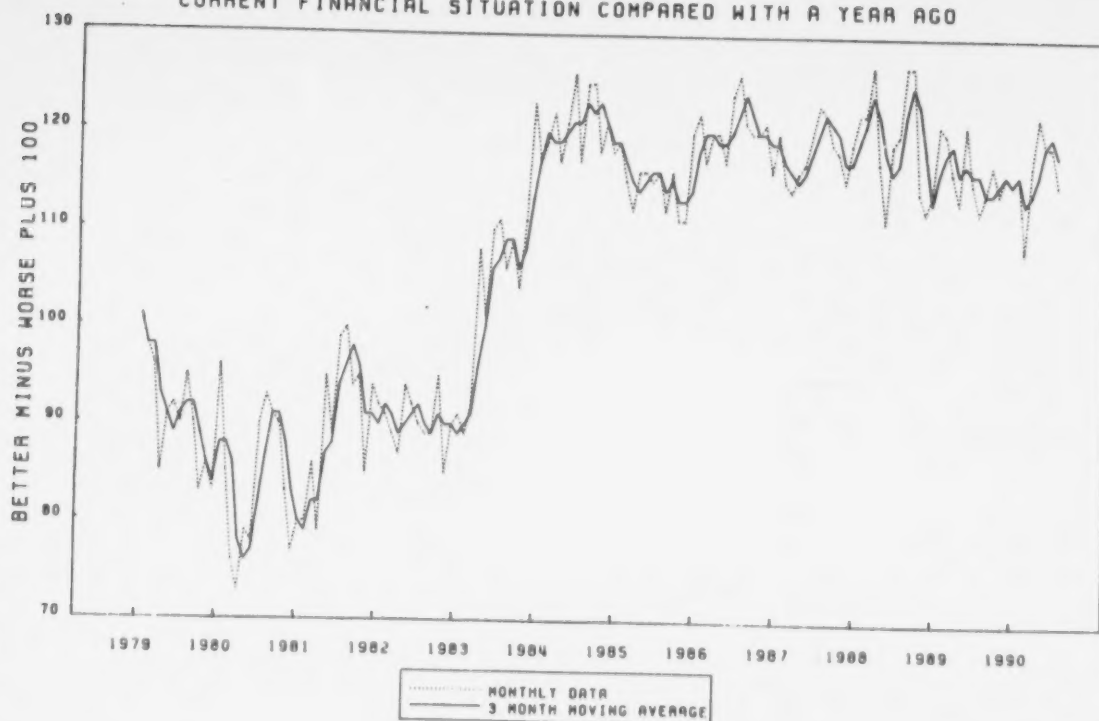


CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

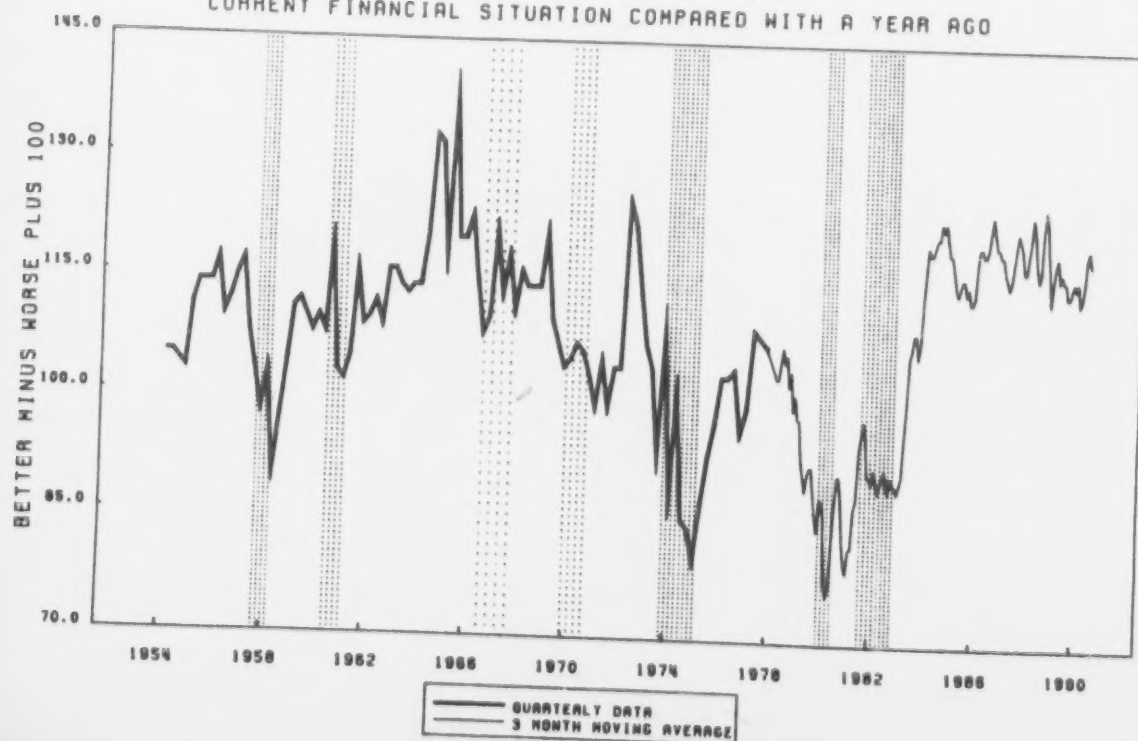


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990
BETTER OFF	41%	41%	42%	42%	42%	41%	43%	38%	43%	46%	43%	43%	43%
SAME	30	32	32	30	32	32	30	32	30	29	33	33	29
WORSE OFF	29	27	25	28	26	26	27	30	26	24	24	24	28
DK,NA	*	*	1	*	*	1	*	*	1	1	*	*	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	502	506	500	502	500	500	511	503	504	504	500	500

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

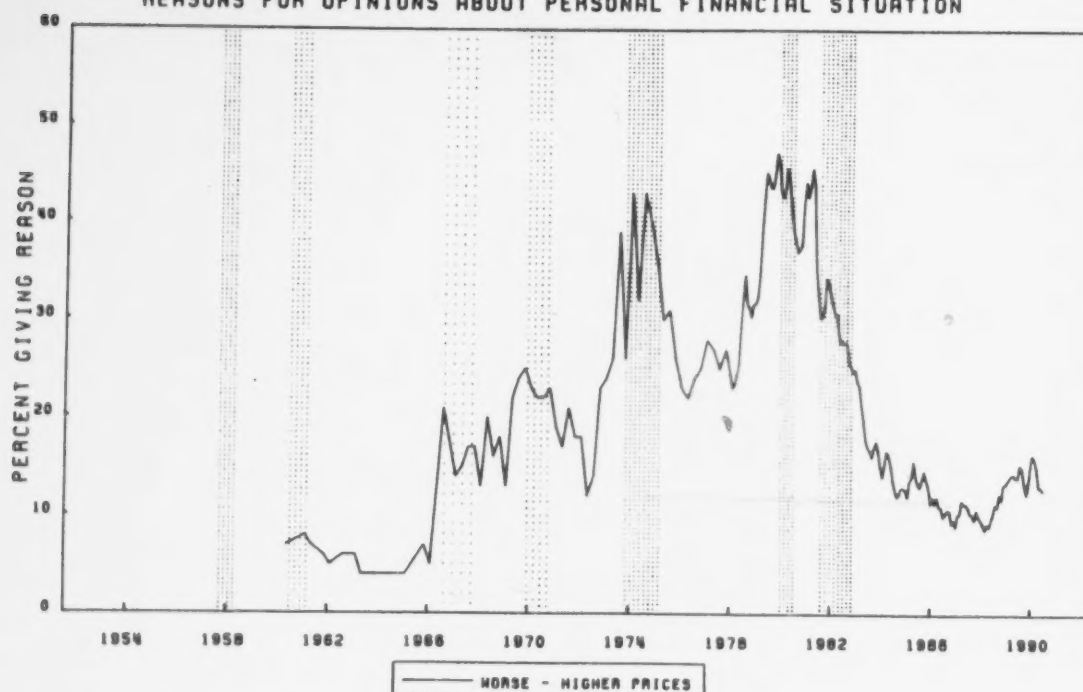


CHART 5B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

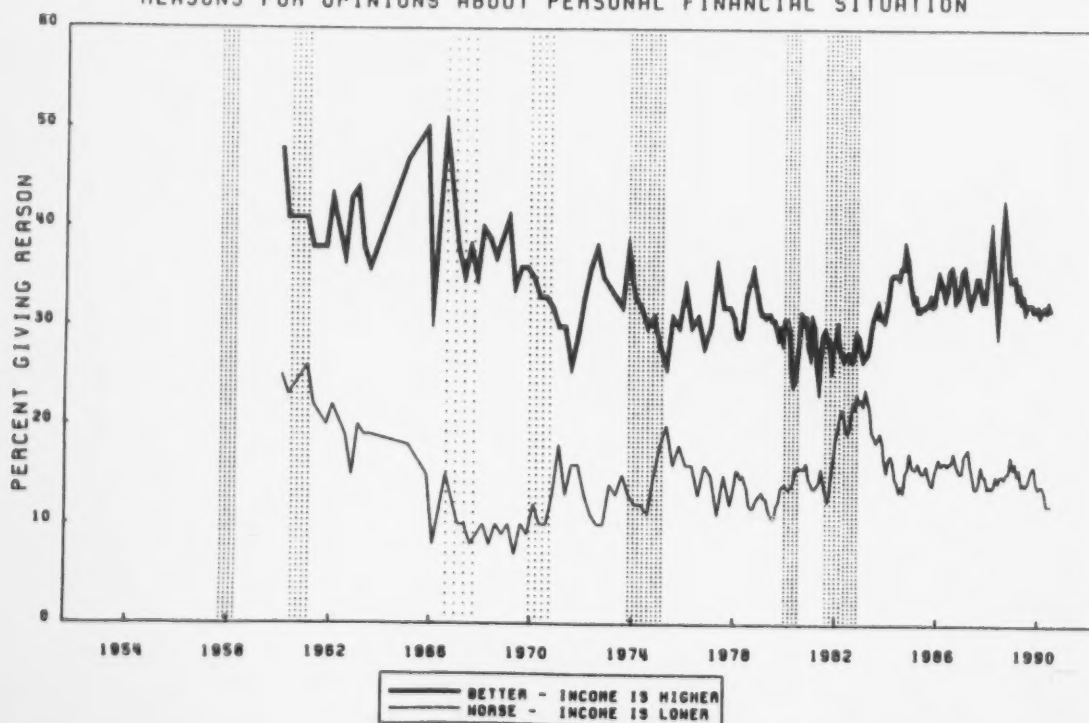


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990
BETTER OFF THAN YEAR AGO:													
Income is higher	32%	34%	31%	32%	32%	31%	33%	30%	32%	34%	29%	34%	32%
WORSE OFF THAN YEAR AGO:													
Income is lower	15	14	16	17	15	11	15	16	11	13	12	11	13
Higher prices	16	16	13	11	13	16	16	17	15	13	11	15	12

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

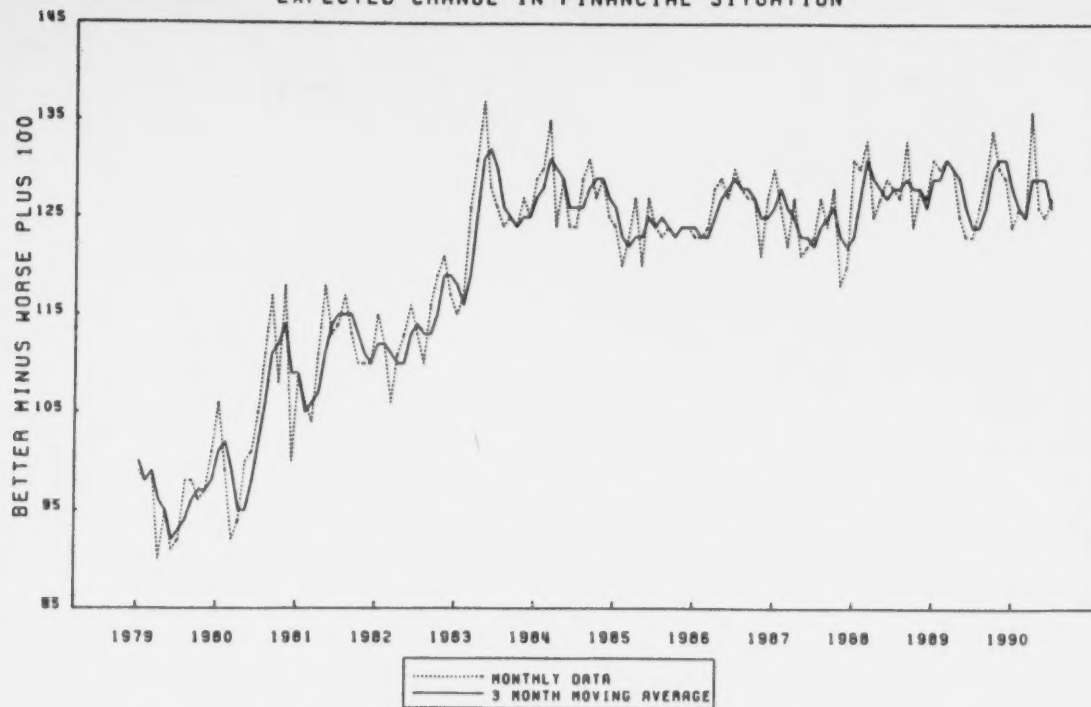


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

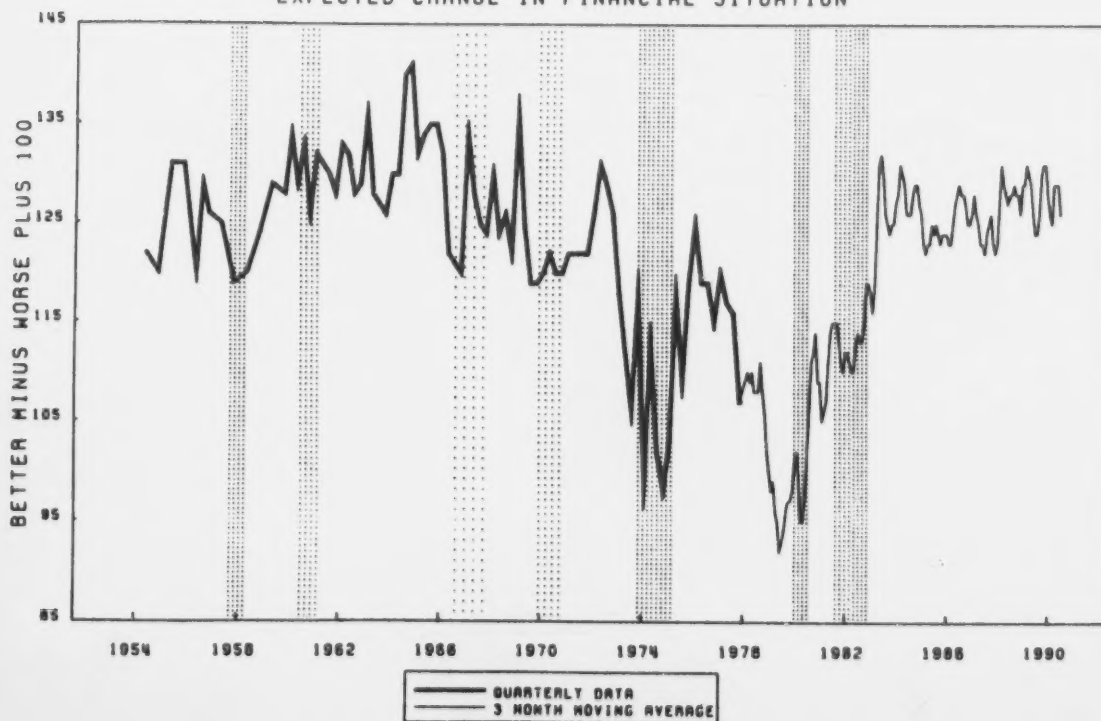


TABLE 6
EXPECTED CHANGE IN FINANCIAL SITUATION

	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990
BETTER OFF	35%	37%	38%	41%	40%	37%	35%	35%	37%	45%	38%	36%	37%
SAME	50	49	49	47	48	50	51	53	49	44	48	50	51
WORSE OFF	12	11	9	7	10	8	11	9	12	9	12	11	10
DK,NA	3	3	4	5	2	5	3	3	2	2	2	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	502	506	500	502	500	500	511	503	504	504	500	500

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

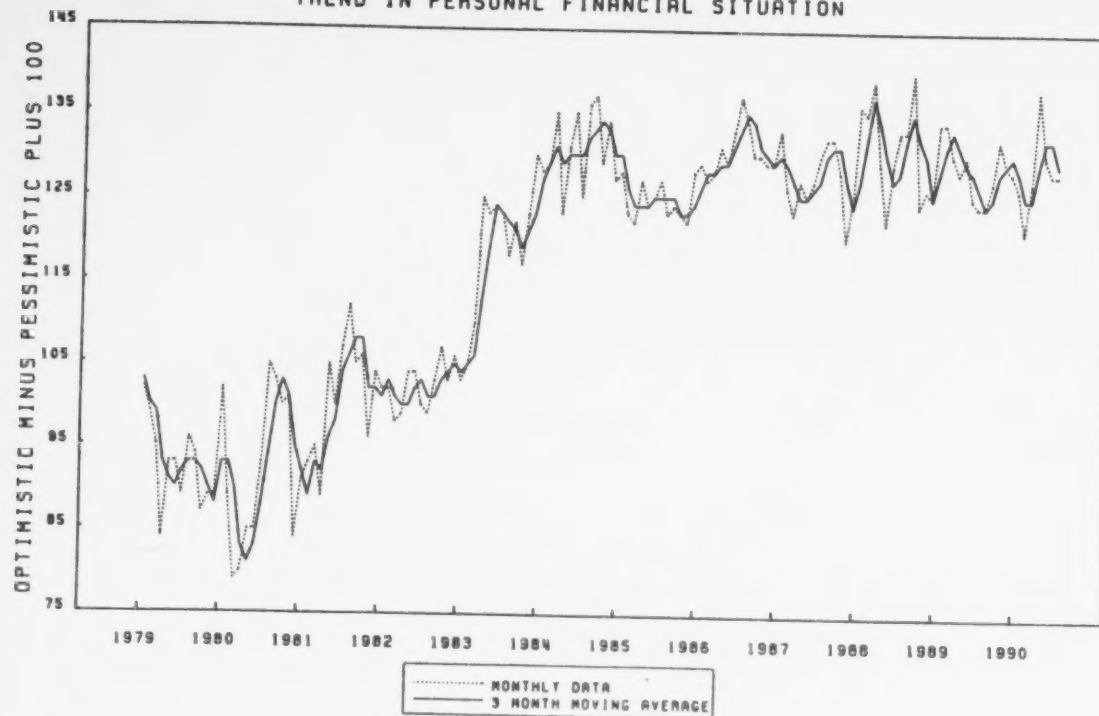


CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

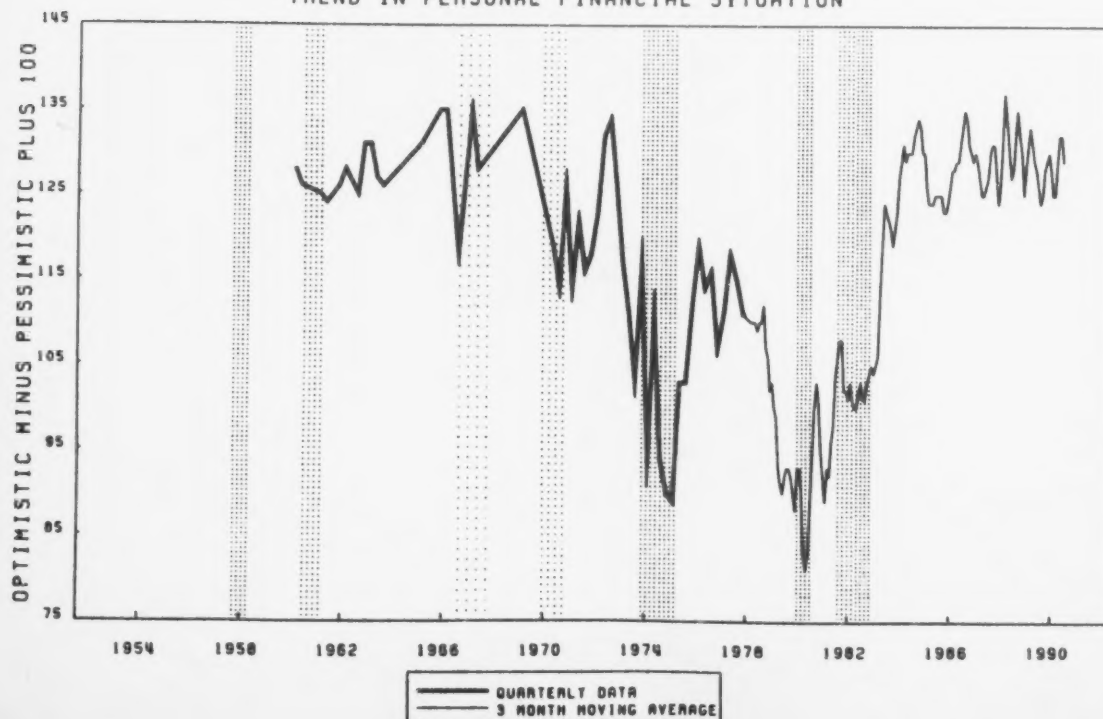


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990
PERSONAL FINANCIAL PROGRESS:													
Continuous increase(a)	19%	20%	24%	22%	21%	19%	20%	17%	20%	24%	22%	19%	21%
Intermittant increase(b)	28	25	24	27	26	28	28	26	28	29	26	29	26
Remain unchanged (c)	18	20	19	17	20	18	17	21	17	16	21	18	20
Intermittant decline(d)	15	16	17	12	14	16	16	17	15	11	11	16	13
Continuous decline (e)	8	5	4	5	4	3	6	5	6	4	7	4	6
Mixed change (f)	9	10	8	11	13	11	9	10	10	13	11	11	12
DK,NA	3	4	4	6	2	5	4	4	4	3	2	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	502	506	500	502	500	500	511	503	504	504	500	500

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
 (b) Better/Same or Same/Better
 (c) Same/Same
 (d) Worse/Same or Same/Worse
 (e) Worse/Worse
 (f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
 MEDIAN EXPECTED CHANGE IN FAMILY INCOME

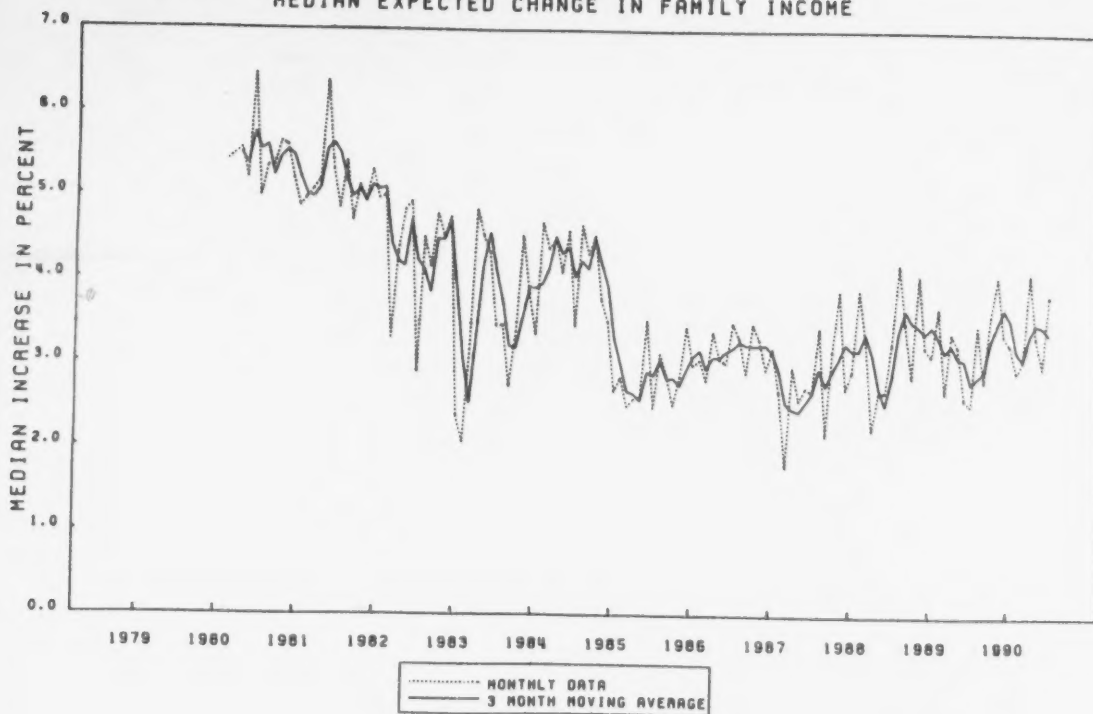


CHART 8 - HISTORICAL SERIES
 MEDIAN EXPECTED CHANGE IN FAMILY INCOME

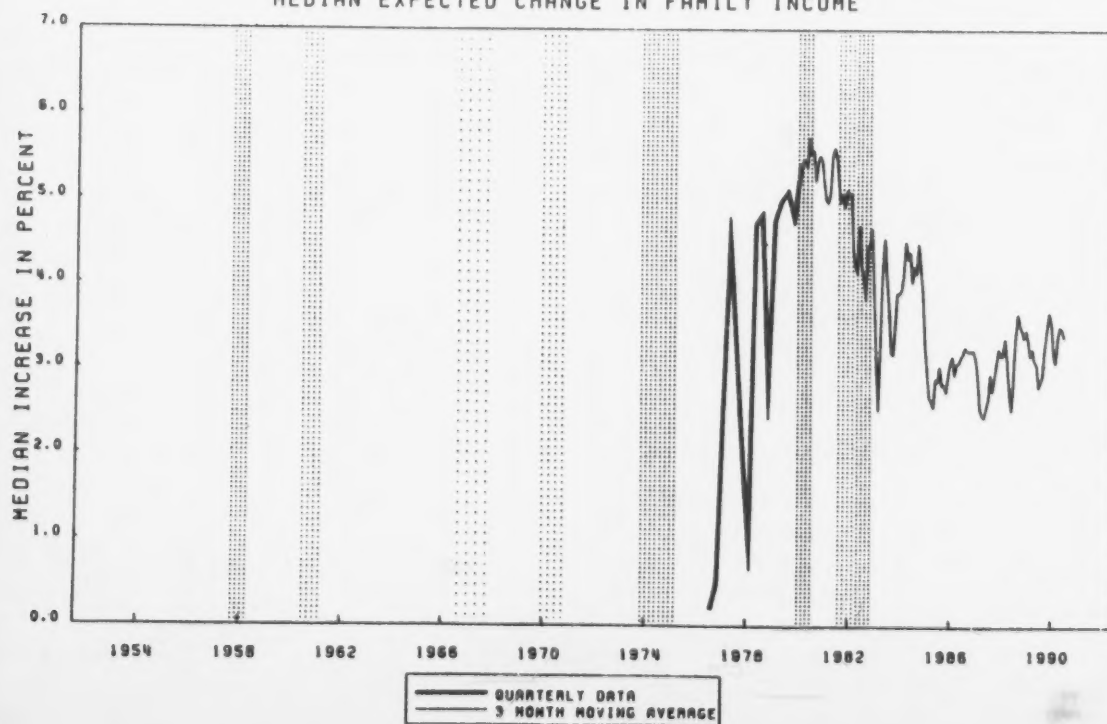


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990
EXPECT INCREASE:													
1-4%	15%	15%	16%	15%	23%	16%	18%	17%	15%	15%	16%	17%	16%
5%	9	13	10	12	13	12	13	12	9	13	9	10	14
6-9%	6	8	7	7	7	8	7	6	9	7	8	9	8
10-24%	16	17	15	14	16	13	14	15	16	18	18	12	15
25% or more	6	6	5	9	7	7	5	5	4	8	7	9	8
DK how much up	6	3	5	4	6	5	5	3	5	4	5	3	3
EXPECT SAME	31	26	25	25	19	26	25	30	28	27	27	25	25
EXPECT DOWN	10	12	15	12	9	12	11	11	13	7	9	15	9
DK, NA	1	*	2	2	*	1	2	1	1	1	1	*	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	502	506	500	502	500	500	511	503	504	504	500	500

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

* : Less than half of one percent.

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

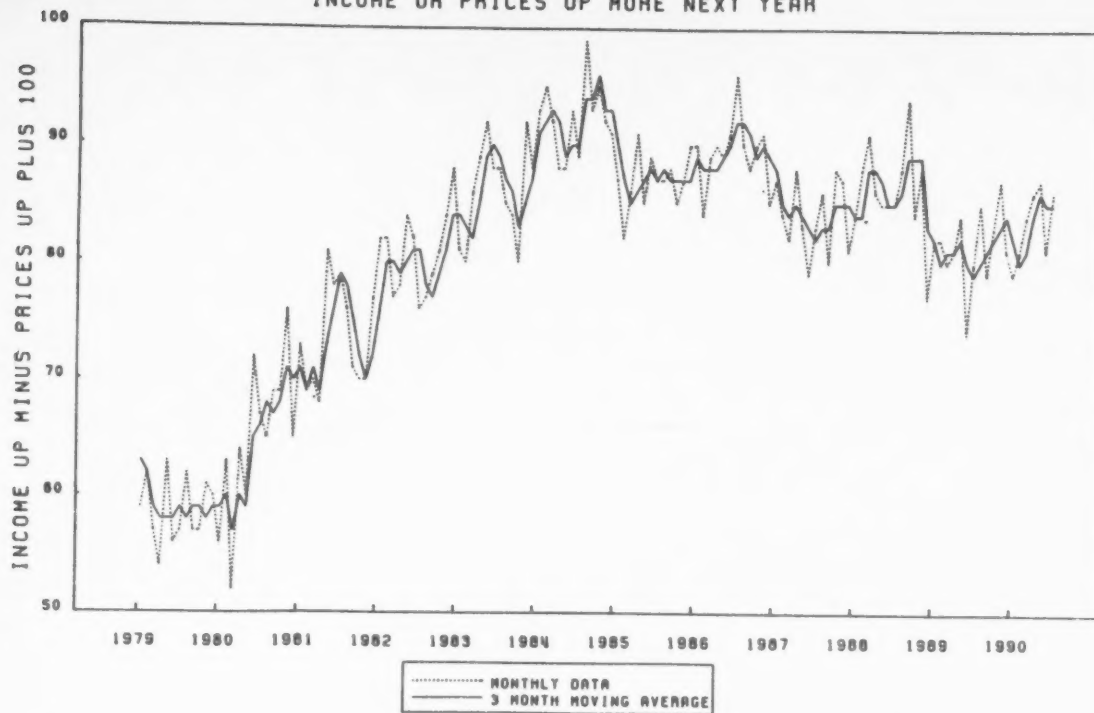


CHART 9 - HISTORICAL SERIES
INCOME OR PRICES UP MORE NEXT YEAR

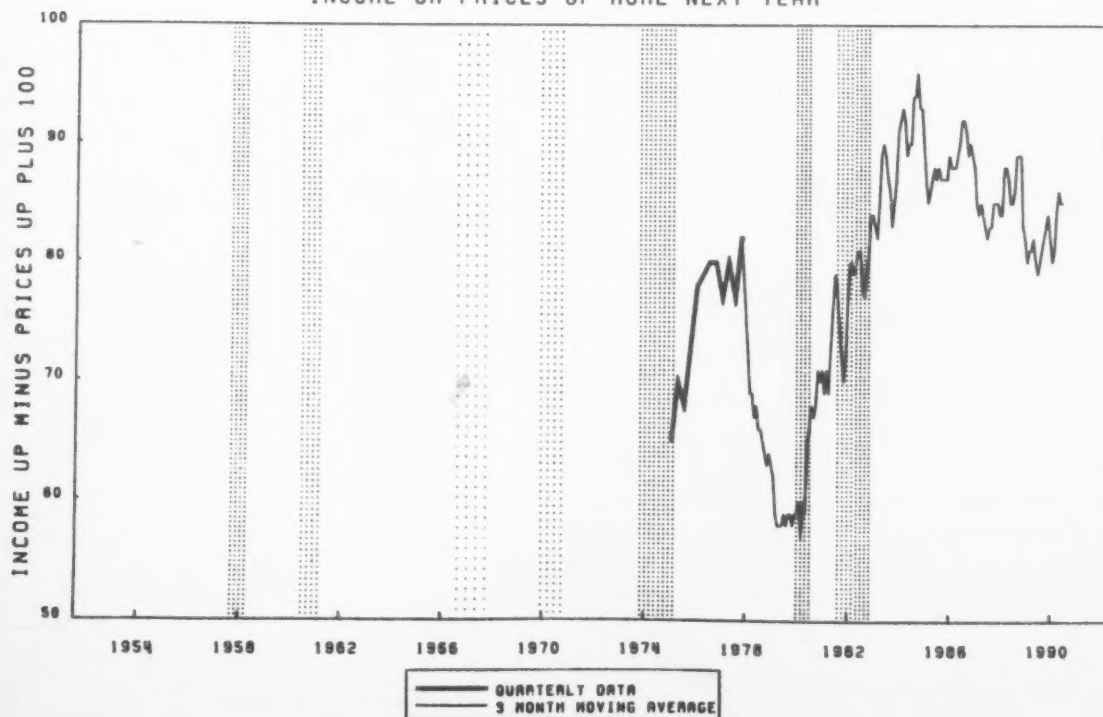


TABLE 9

EXPECTED CHANGE IN REAL FAMILY INCOME

	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990
INCOME UP MORE	19%	21%	19%	20%	22%	21%	17%	17%	20%	21%	19%	18%	21%
INCOME UP SAME	40	39	39	41	42	36	42	44	42	42	48	44	42
PRICES UP MORE	39	36	40	37	35	40	38	36	36	35	32	37	35
DK,NA	2	4	2	2	1	3	3	3	2	2	1	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	502	506	500	502	500	500	511	503	504	504	500	500

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 10 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

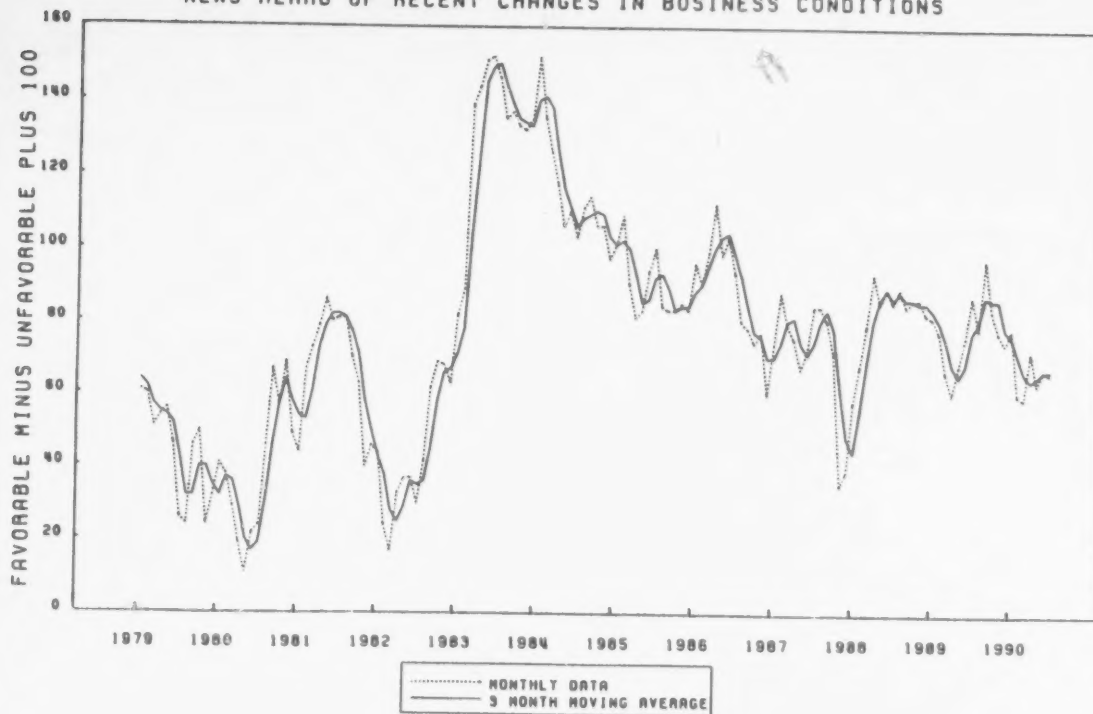


CHART 10 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

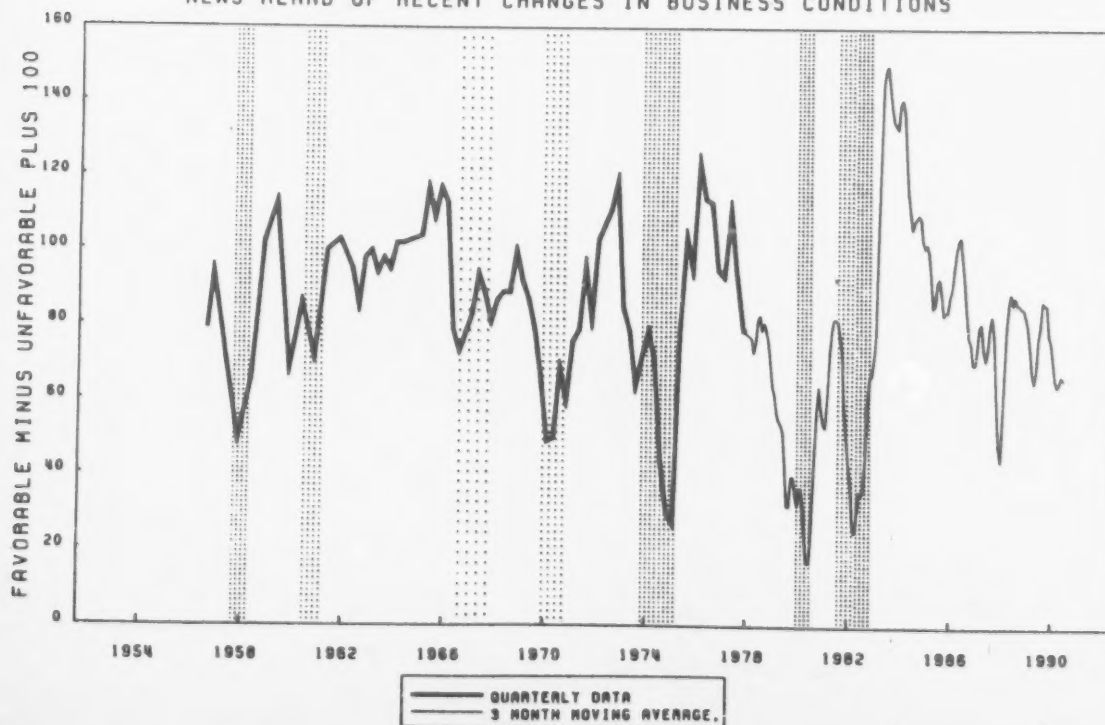


TABLE 10

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990
FAVORABLE NEWS	28%	23%	29%	24%	22%	24%	26%	20%	21%	23%	18%	22%	18%
UNFAVORABLE NEWS	41	45	32	41	45	50	48	60	62	51	55	55	51
NO MENTIONS	50	53	56	52	52	50	49	44	43	49	50	48	54

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 11A - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

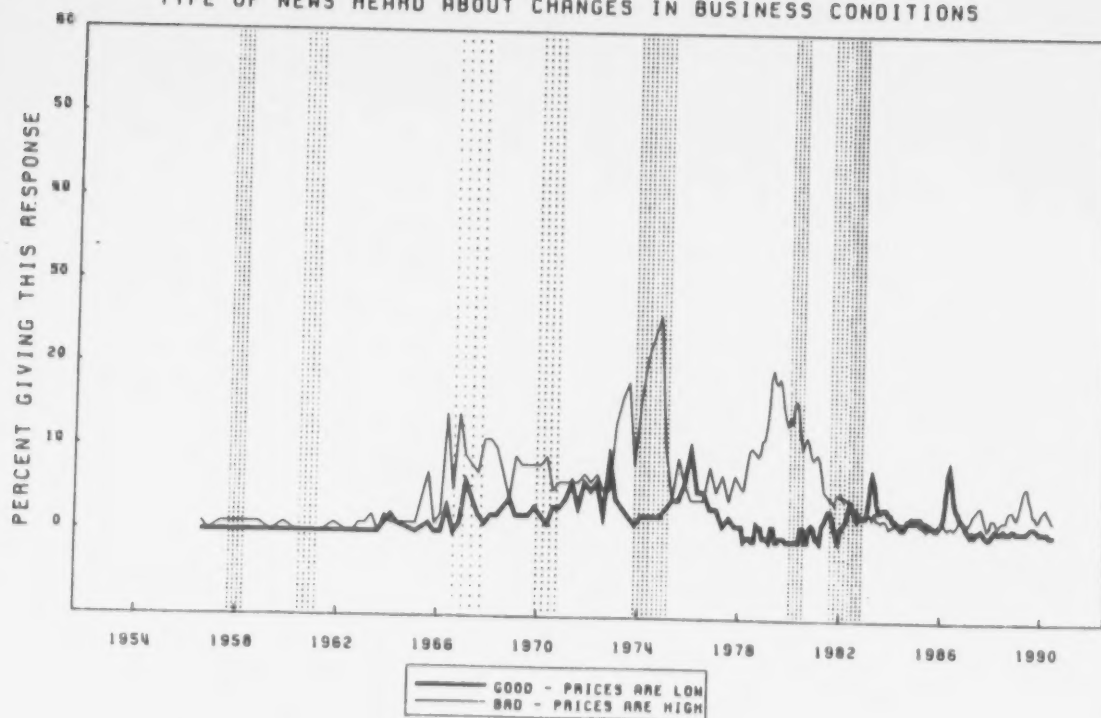


CHART 11B - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

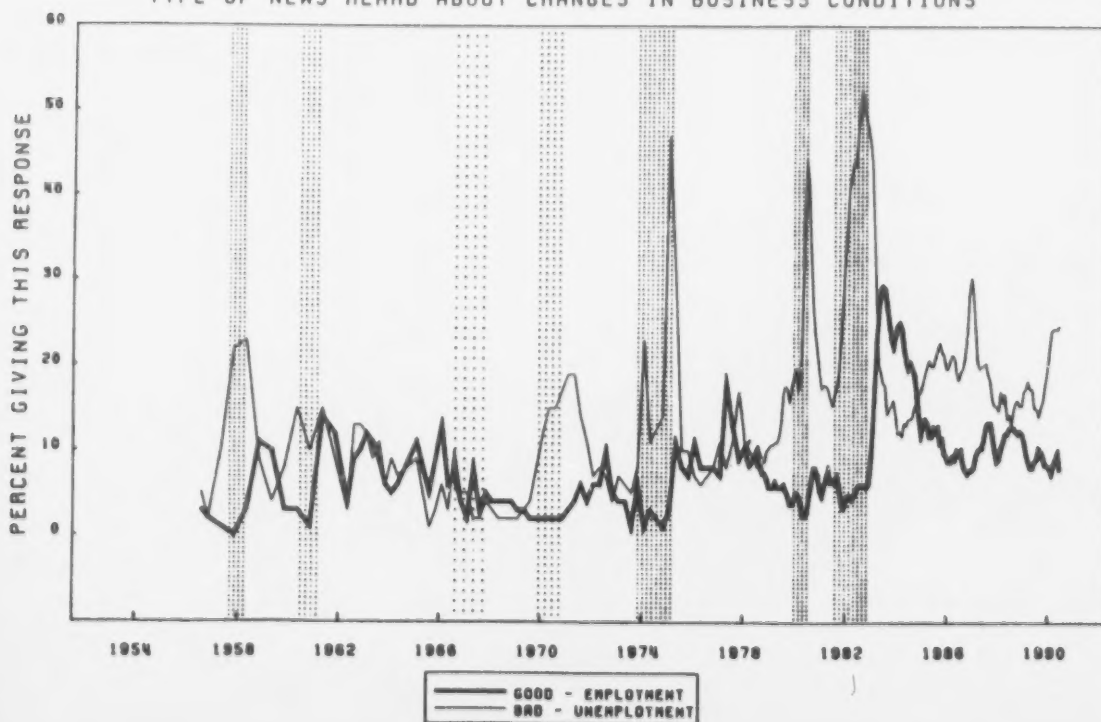


TABLE 11
SELECTED ITEMS OF
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990
FAVORABLE NEWS:													
Government; elections	*	2%	2%	1%	1%	3%	1%	2%	3%	1%	1%	2%	2%
Employment	10	9	12	9	7	9	9	6	7	12	8	9	6
Higher consumer demand	2	1	1	1	2	2	1	1	2	2	1	1	*
Lower prices	1	2	1	1	1	*	1	1	*	1	*	*	1
Easier credit	6	5	4	3	3	1	6	3	1	1	2	2	2
Stock market	2	1	3	2	2	2	2	1	1	1	1	2	2
Trade deficit	1	1	1	1	1	3	2	2	2	2	1	1	1
UNFAVORABLE NEWS:													
Government; elections	5	3	4	2	3	5	3	6	6	3	8	6	9
Unemployment	13	15	14	16	17	19	21	24	27	22	24	27	23
Lower consumer demand	3	3	2	2	5	6	5	6	6	6	3	6	3
Higher prices	2	4	2	2	2	3	4	3	4	2	2	2	2
Tighter credit	3	2	1	1	1	2	1	3	3	2	3	2	2
Stock market	1	1	1	7	6	2	2	6	4	3	3	1	1
Trade deficit	5	3	2	2	2	5	2	3	4	5	2	3	2

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 12 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

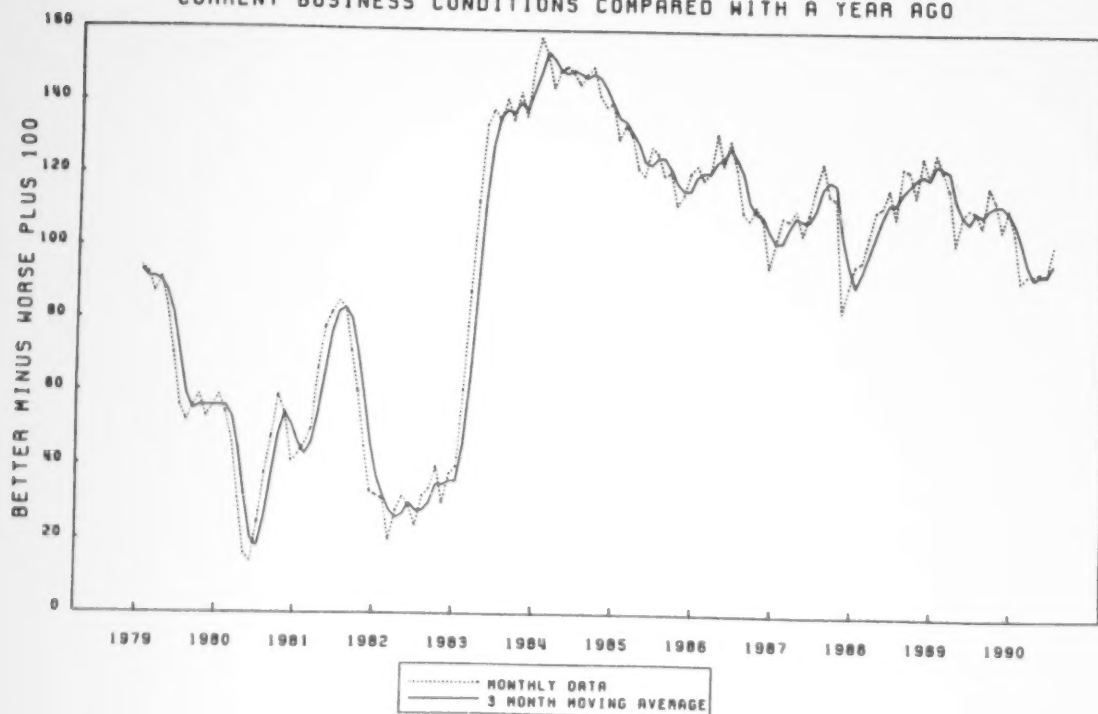


CHART 12 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

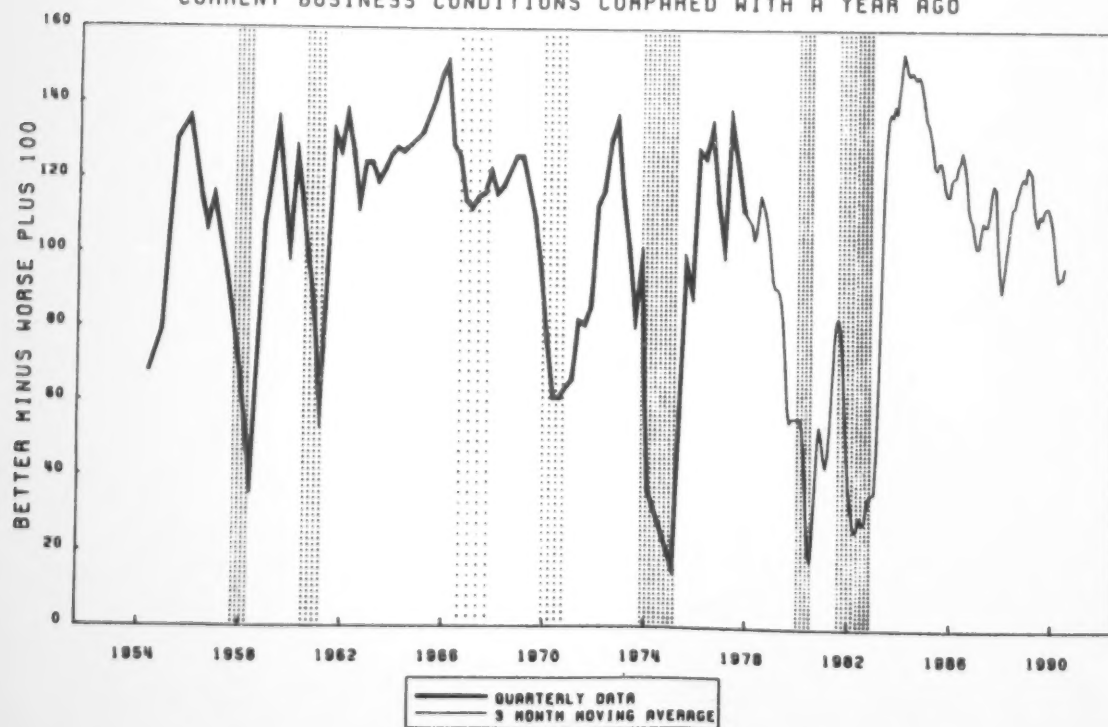


TABLE 12

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990
BETTER NOW	43%	42%	48%	47%	42%	45%	43%	36%	36%	38%	36%	37%	41%
SAME	22	21	19	19	19	19	16	17	20	17	19	18	19
WORSE NOW	32	35	30	33	36	33	38	44	42	44	41	43	39
DK,NA	3	2	3	1	3	3	3	3	2	1	4	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	502	506	500	502	500	500	511	503	504	504	500	500

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 13 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

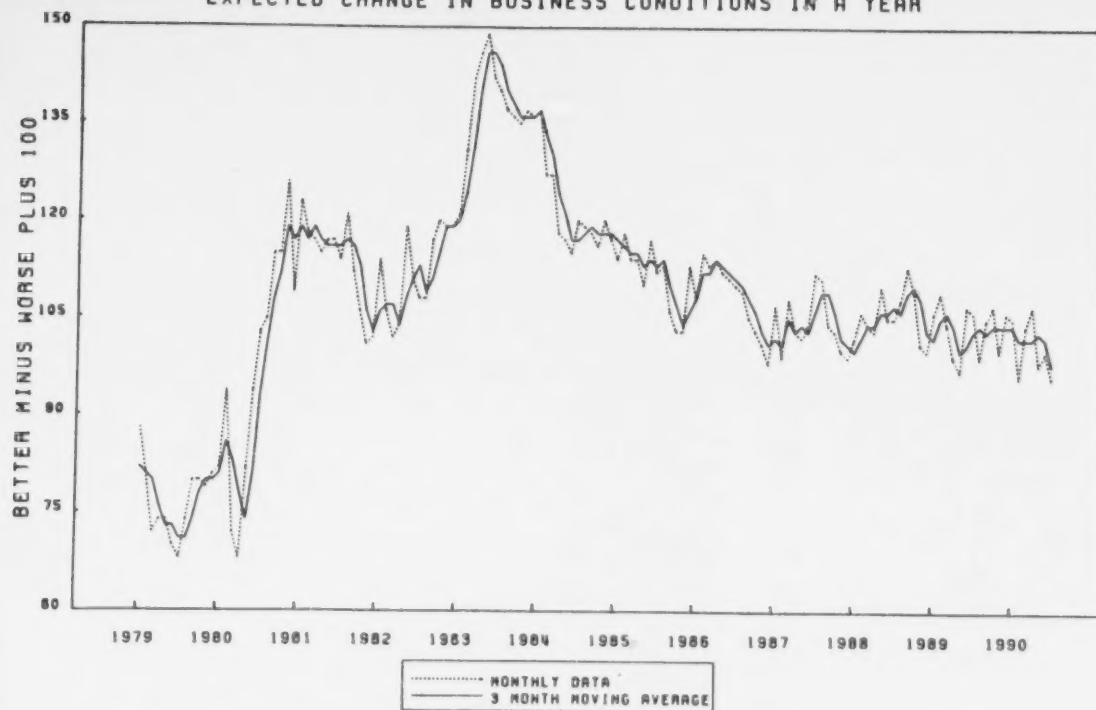


CHART 13 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

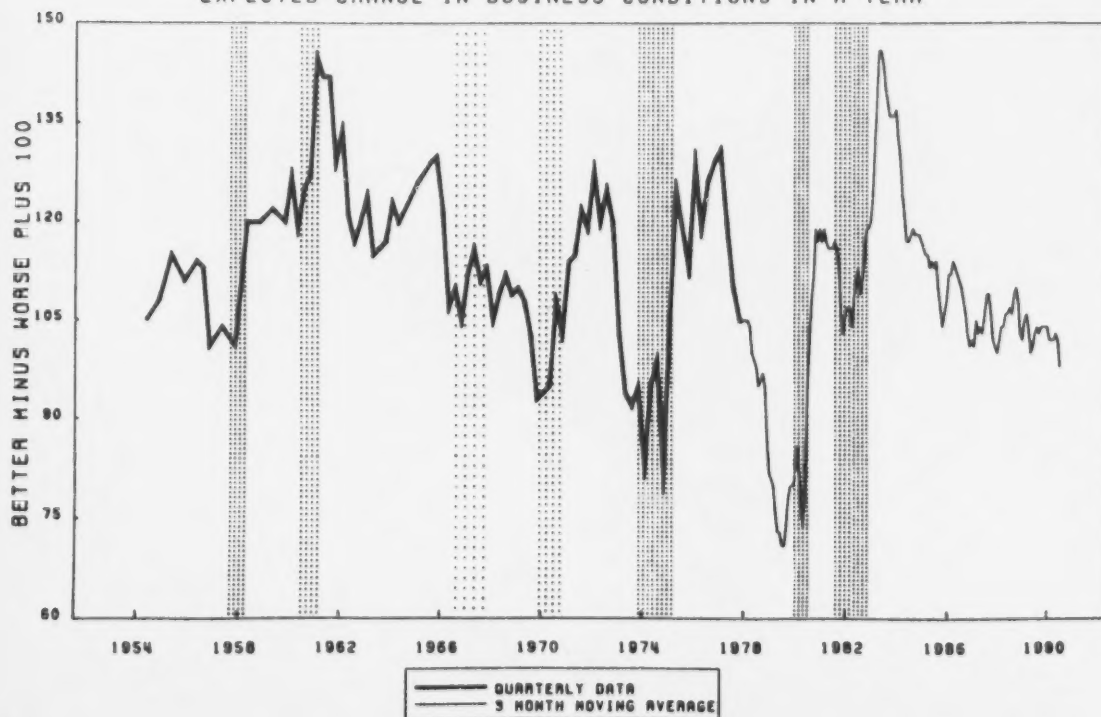


TABLE 13
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990
BETTER	20%	18%	21%	22%	18%	24%	22%	19%	22%	24%	18%	20%	16%
SAME	63	60	59	61	61	55	59	56	58	58	59	58	63
WORSE	14	19	16	15	18	18	17	23	18	17	20	20	20
DK,NA	3	3	4	2	3	3	2	2	2	1	3	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	502	506	500	502	500	500	511	503	504	504	500	500

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

CHART 14 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

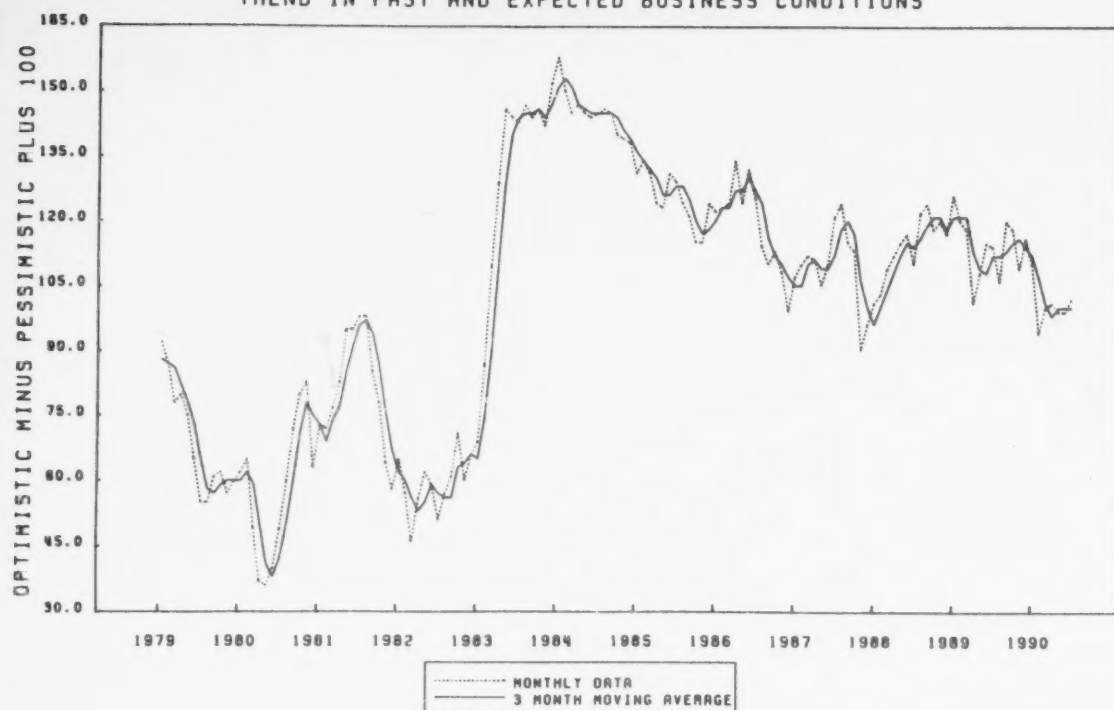


CHART 14 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

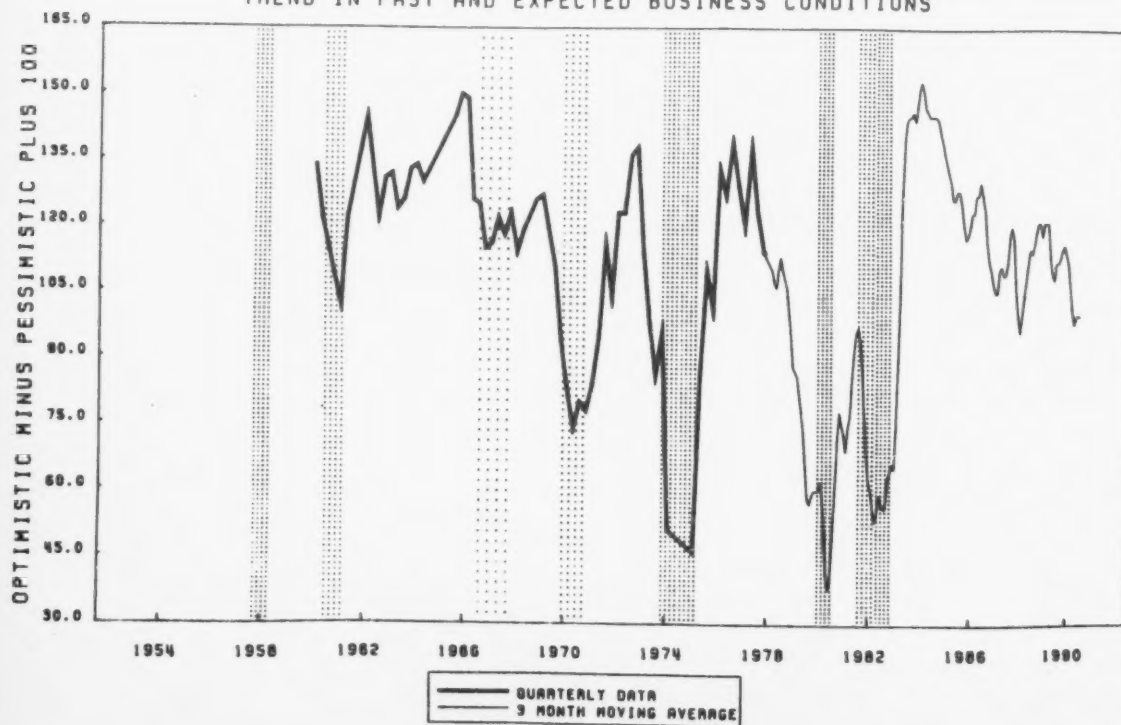


TABLE 14

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990
TREND:													
Continuous increase (a)	14%	11%	14%	15%	10%	15%	14%	11%	10%	13%	8%	11%	8%
Intermittant increase(b)	30	29	34	33	32	29	29	25	27	25	28	27	31
Remain unchanged (c)	16	14	12	13	13	13	12	10	12	12	12	11	12
Intermittant decline(d)	20	22	18	19	21	16	20	26	26	25	23	25	25
Continuous decline (e)	10	12	10	11	12	12	13	16	11	12	14	14	12
Mixed change (f)	4	7	6	5	6	10	8	8	10	11	9	9	9
DK,NA	6	5	6	4	6	5	4	4	4	2	6	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	502	506	500	502	500	500	511	503	504	504	500	500

Combination of the responses to the questions on Tables 12 and 13.

Key: (a) Better than a year ago/Better a year from now
 (b) Better/Same or Same/Better
 (c) Same/Same
 (d) Worse/Same or Same/Worse
 (e) Worse/Worse
 (f) Worse/Better or Better/Worse

CHART 15 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

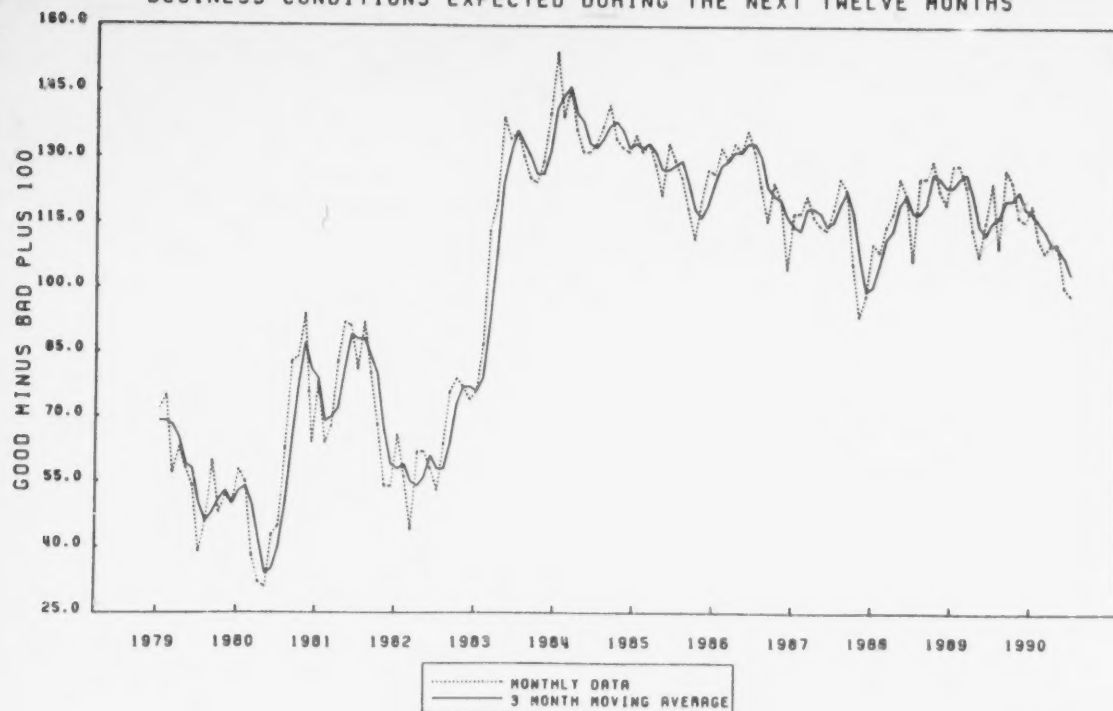


CHART 15 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

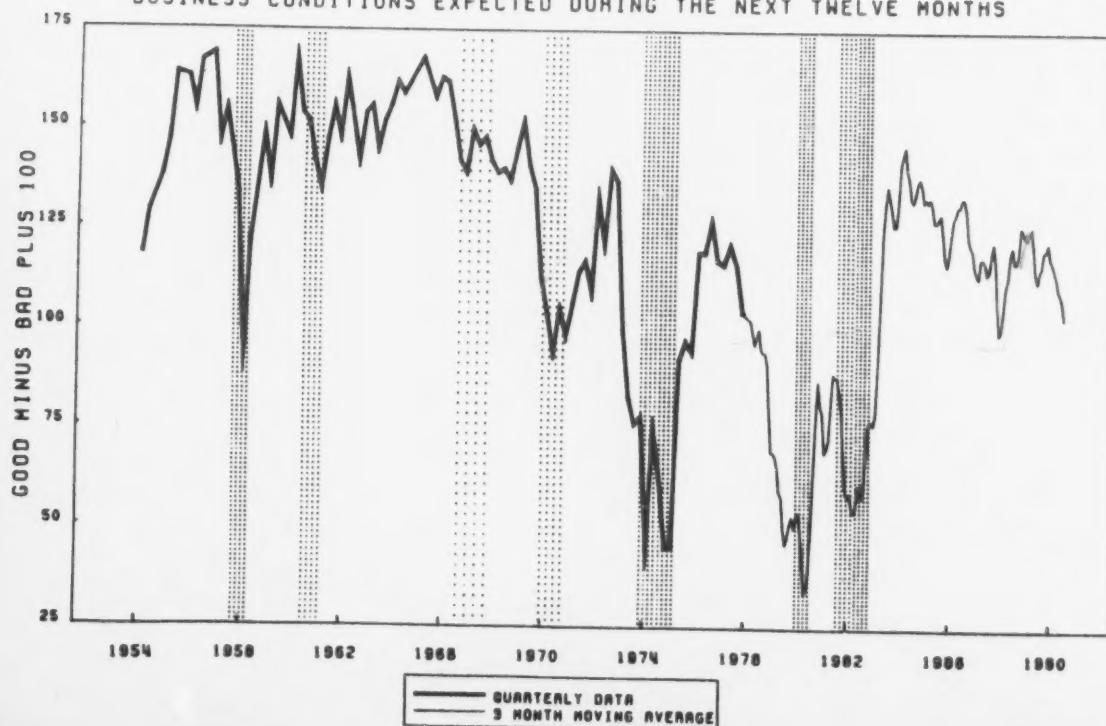


TABLE 15

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990
GOOD TIMES	53%	46%	55%	53%	50%	49%	52%	46%	48%	49%	47%	43%	40%
UNCERTAIN; GOOD & BAD	4	6	4	5	4	2	3	6	3	4	4	3	6
BAD TIMES	29	37	28	29	34	34	33	35	40	39	37	43	42
DON'T KNOW	7	4	6	8	7	7	6	7	5	4	6	5	7
NOT ASCERTAINED	7	7	7	5	5	8	6	6	4	4	6	6	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	502	506	500	502	500	500	511	503	504	504	500	500

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 16 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS



CHART 16 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

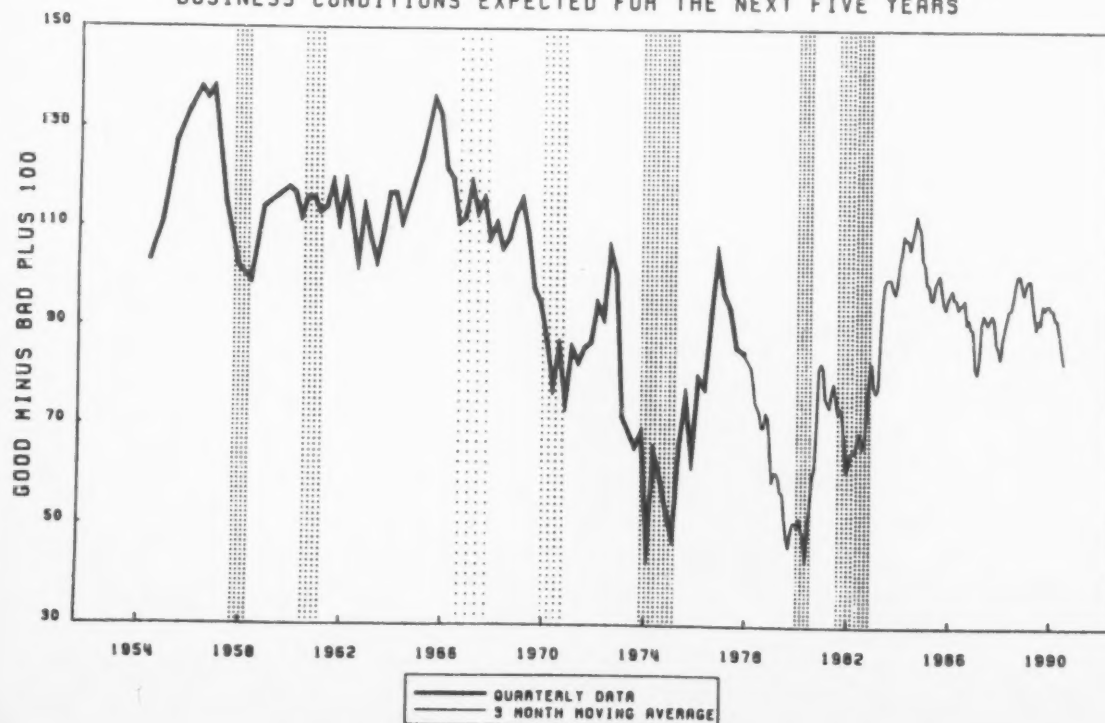


TABLE 16

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990
GOOD TIMES	39%	33%	41%	36%	38%	39%	37%	36%	40%	39%	32%	31%	34%
UNCERTAIN; GOOD & BAD	13	13	13	14	13	15	12	11	10	11	12	12	11
BAD TIMES	43	45	40	43	46	40	45	46	47	47	49	48	50
NOT ASCERTAINED	5	9	6	7	3	6	6	7	3	3	7	9	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	502	506	500	502	500	500	511	503	504	504	500	500

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 17 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT



CHART 17 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

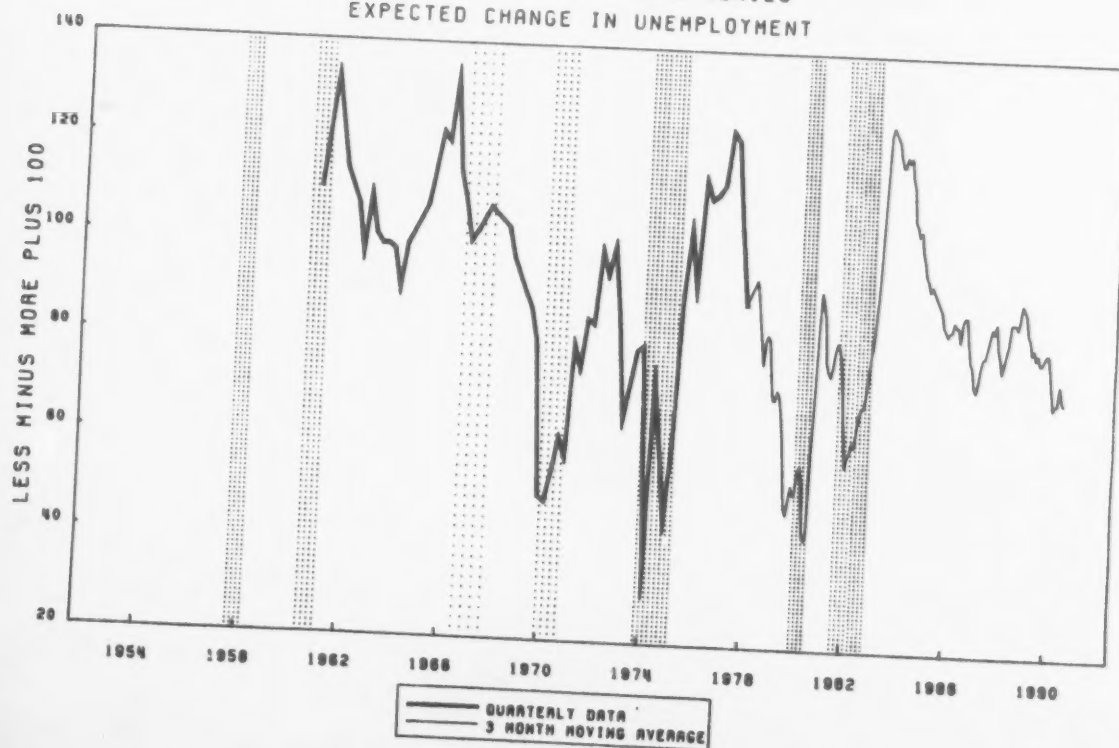


TABLE 17
EXPECTED CHANGE IN UNEMPLOYMENT

	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990
LESS	11%	10%	11%	14%	10%	11%	10%	7%	10%	11%	10%	8%	7%
SAME	57	54	61	55	54	51	52	48	55	52	52	52	54
MORE	31	35	26	30	35	37	36	44	34	36	37	39	37
DK,NA	1	1	2	1	1	1	2	1	1	1	1	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	502	506	500	502	500	500	511	503	504	504	500	500

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

CHART 18 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

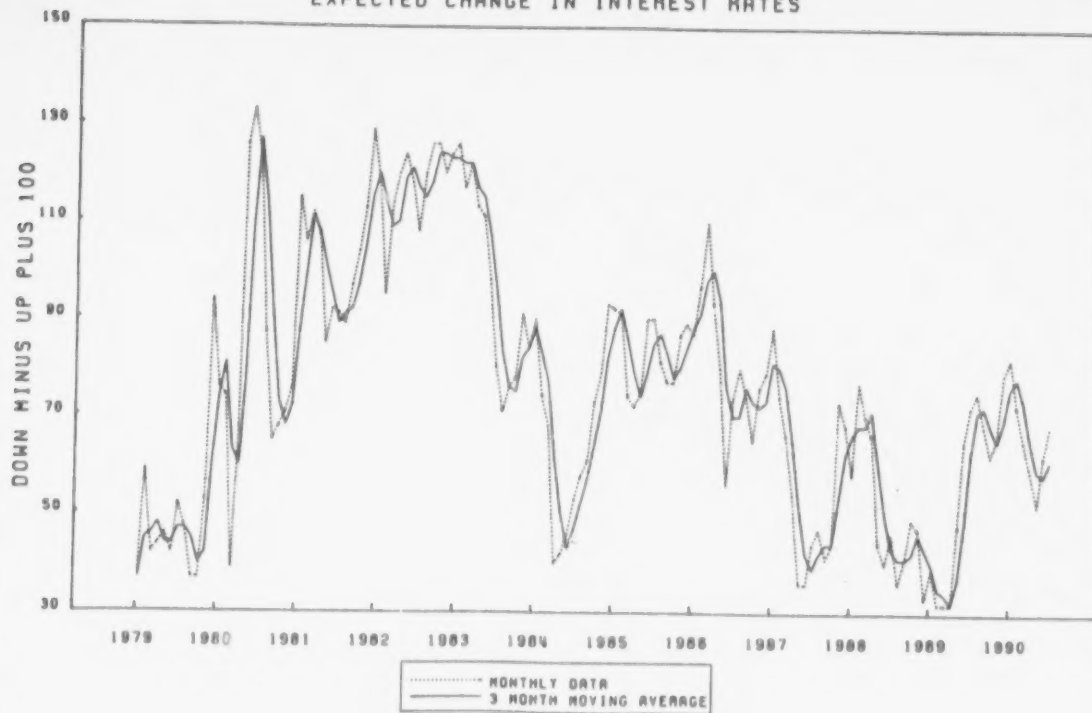


CHART 18 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

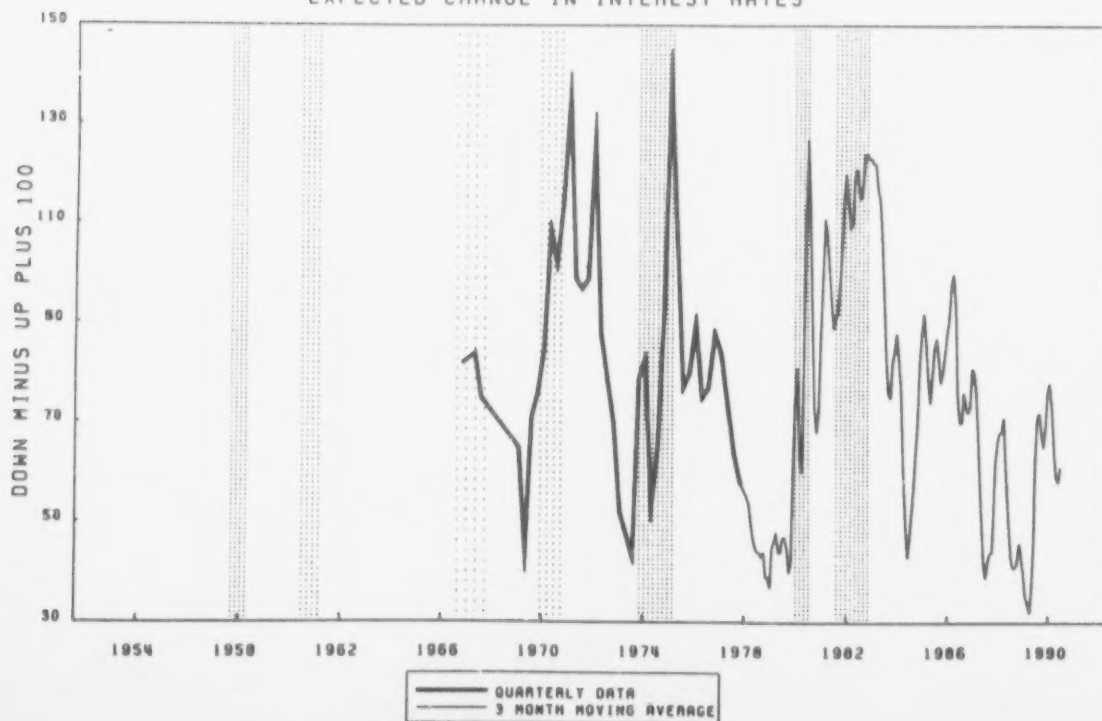


TABLE 18

EXPECTED CHANGE IN INTEREST RATES

	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990
GO UP	51%	49%	50%	55%	52%	46%	45%	48%	51%	55%	58%	56%	50%
STAY THE SAME	25	24	30	26	27	26	26	29	32	29	30	23	29
GO DOWN	23	24	18	17	18	25	27	20	16	14	10	18	18
DK,NA	1	3	2	2	3	3	2	3	1	2	2	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	502	506	500	502	500	500	511	503	504	504	500	500

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 19 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

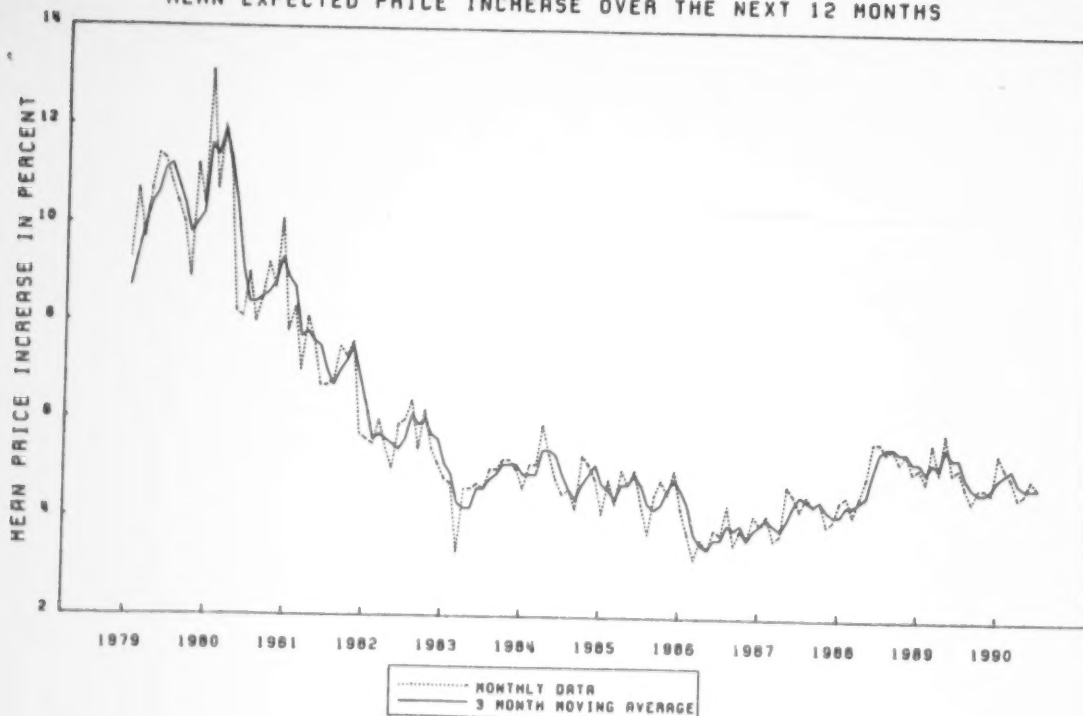


CHART 19 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

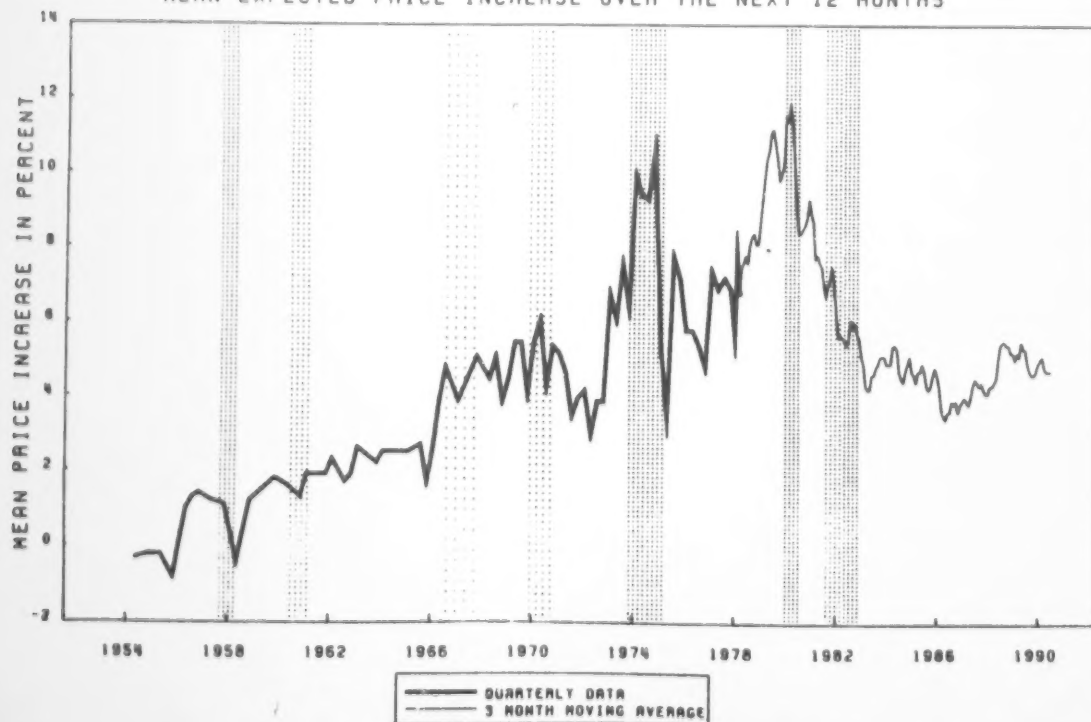


TABLE 19

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990
SAME OR DOWN	10%	13%	13%	12%	12%	10%	11%	15%	11%	11%	11%	11%	11%
WILL GO UP BY:													
1-2%	18	18	21	19	17	21	14	13	18	20	19	18	20
3-4%	21	23	24	23	26	21	24	23	24	24	22	25	24
5%	22	21	21	19	19	23	21	22	20	22	22	24	20
6-9%	9	6	6	9	7	10	8	10	8	7	9	7	6
10-14%	8	9	6	8	8	5	10	8	8	7	8	7	10
15% or more	5	3	3	3	4	5	5	4	5	4	3	4	3
DK how much up	6	6	5	5	6	5	5	5	6	5	6	3	6
DK, NA	1	1	1	2	1	*	2	*	*	*	*	1	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	5.1	4.7	4.4	4.7	4.7	4.6	5.4	5.1	4.9	4.5	4.6	4.9	4.7
VARIANCE	39	42	32	32	31	28	49	45	38	26	30	37	29
CASES	501	502	506	500	502	500	500	511	503	504	504	500	500

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 20 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

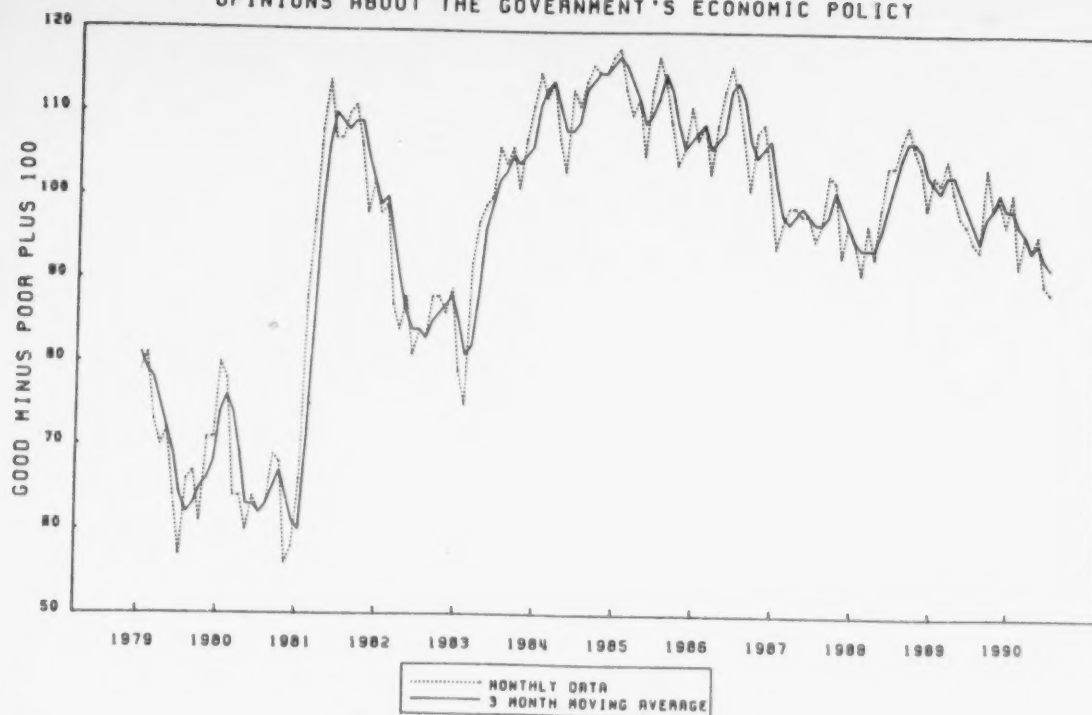


CHART 20 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

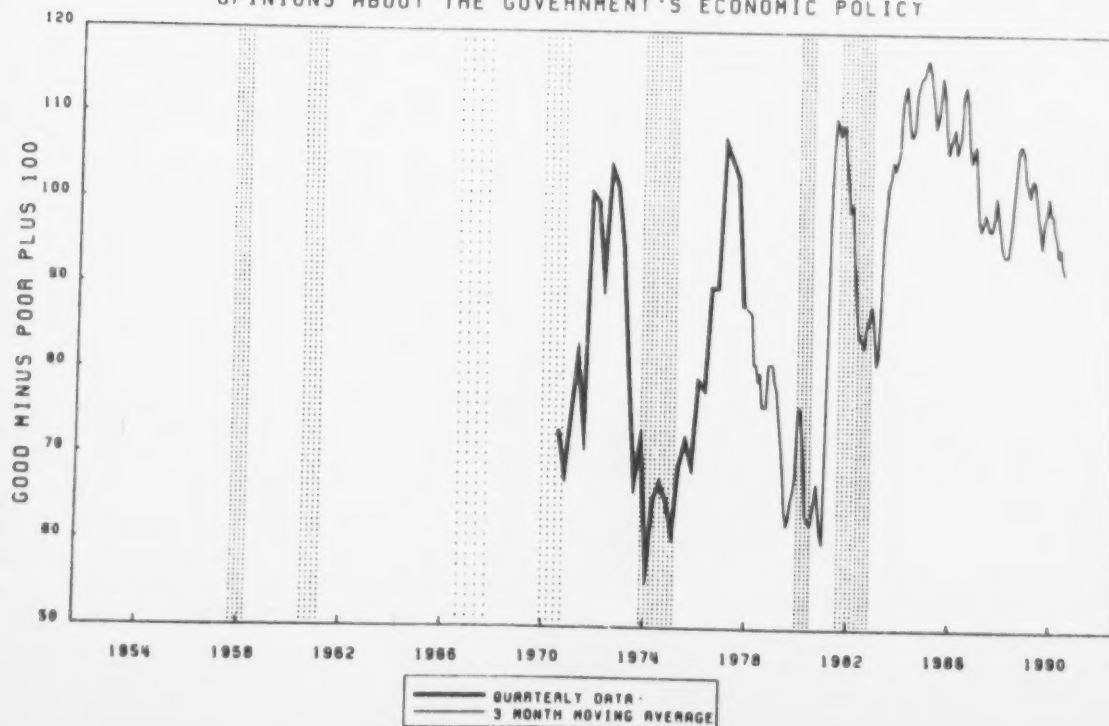


TABLE 20

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990
A GOOD JOB	18%	18%	21%	18%	17%	20%	18%	17%	19%	17%	19%	16%	16%
ONLY FAIR	56	56	60	61	64	55	63	57	56	59	55	56	56
A POOR JOB	23	24	17	19	17	23	17	25	23	23	23	26	27
DK,NA	3	2	2	2	2	2	2	1	2	1	3	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	502	506	500	502	500	500	511	503	504	504	500	500

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 21 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

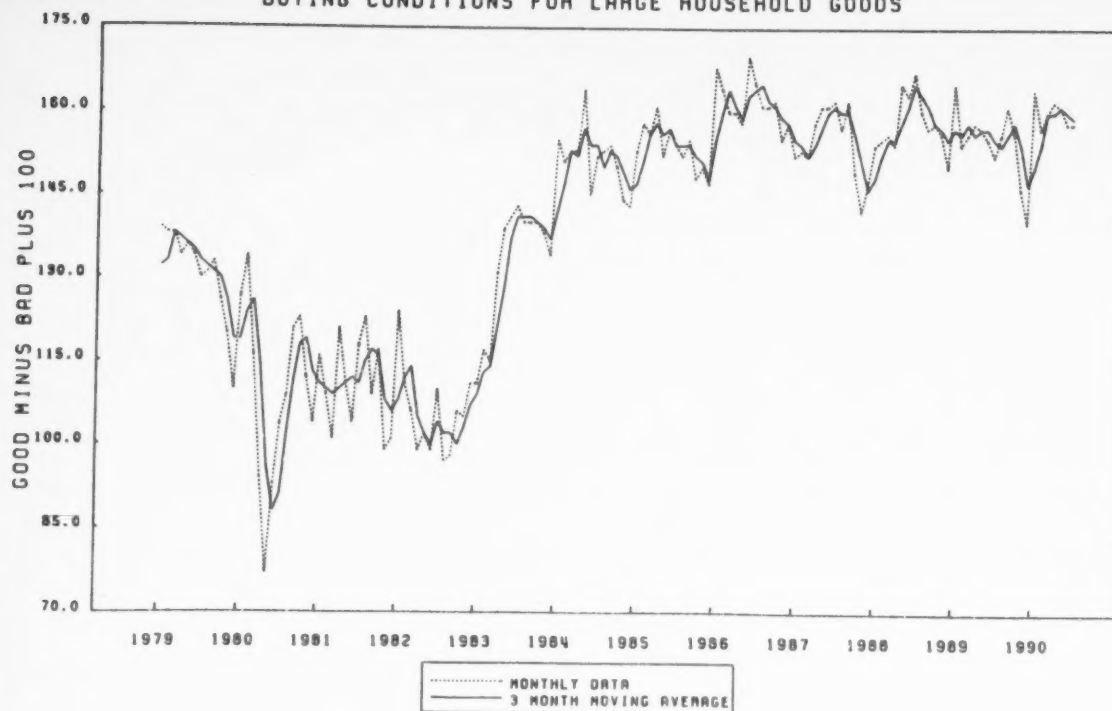


CHART 21 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

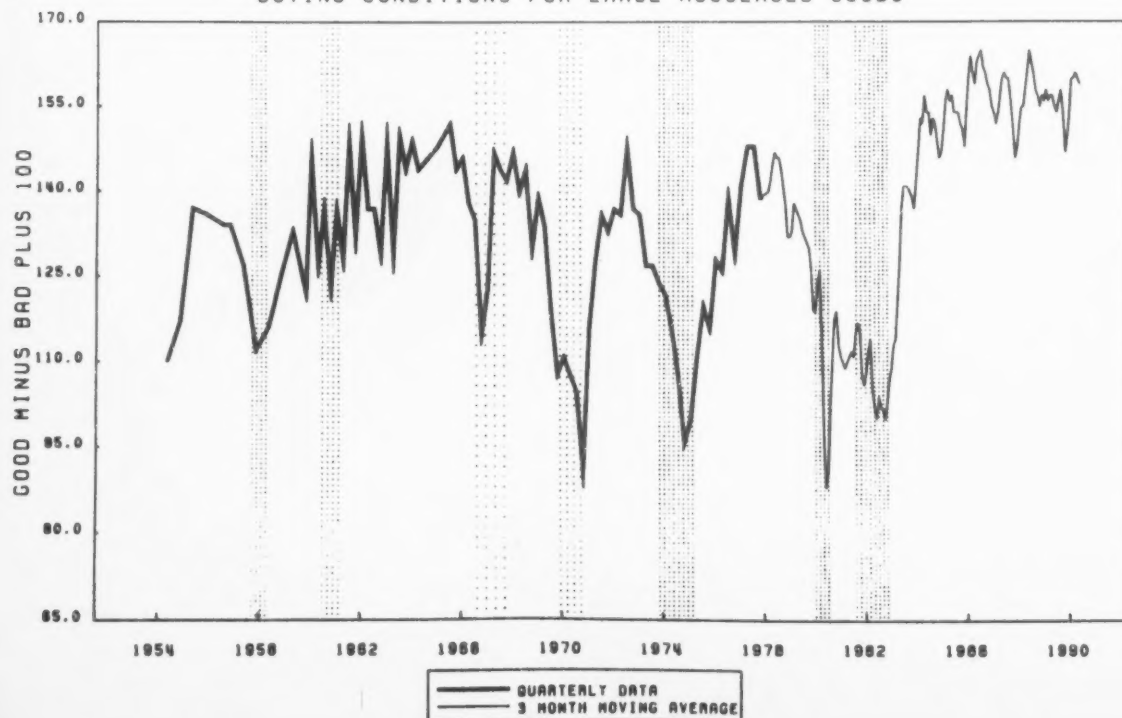


TABLE 21

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990
GOOD TIME TO BUY	71%	73%	75%	73%	67%	65%	77%	74%	76%	78%	75%	75%	73%
UNCERTAIN, DEPENDS	10	10	11	10	12	10	10	9	8	6	11	8	12
BAD TIME TO BUY	19	17	14	17	21	25	13	17	16	16	14	17	15
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	502	506	500	502	500	500	511	503	504	504	500	500

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 22A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

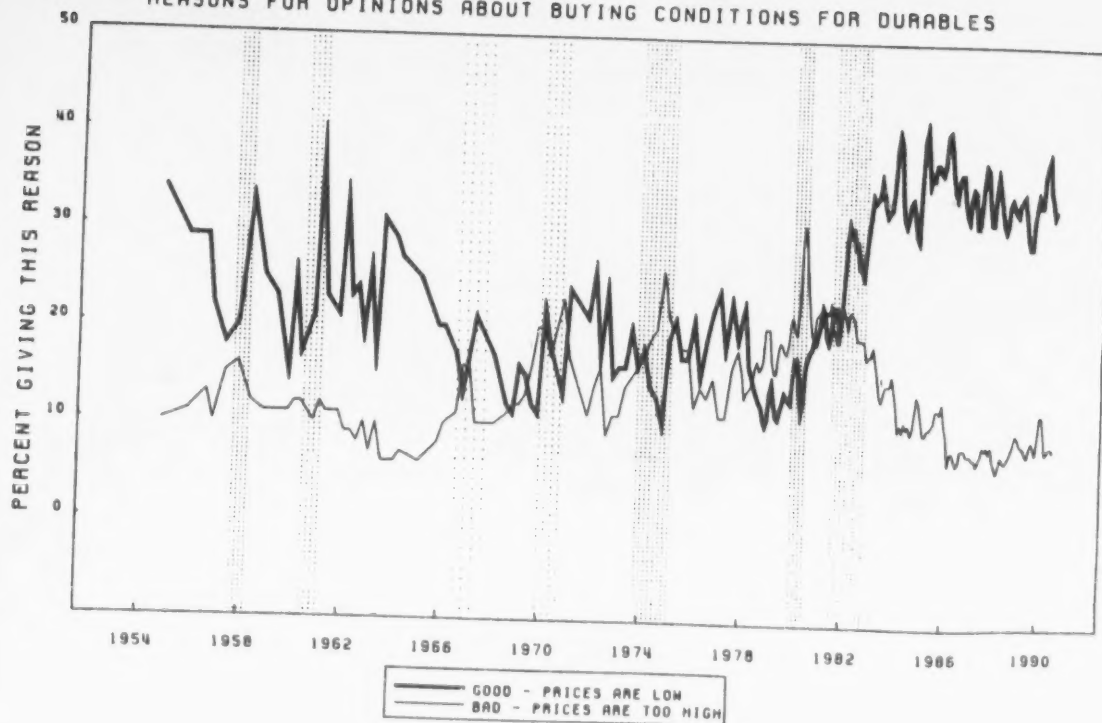


CHART 22B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

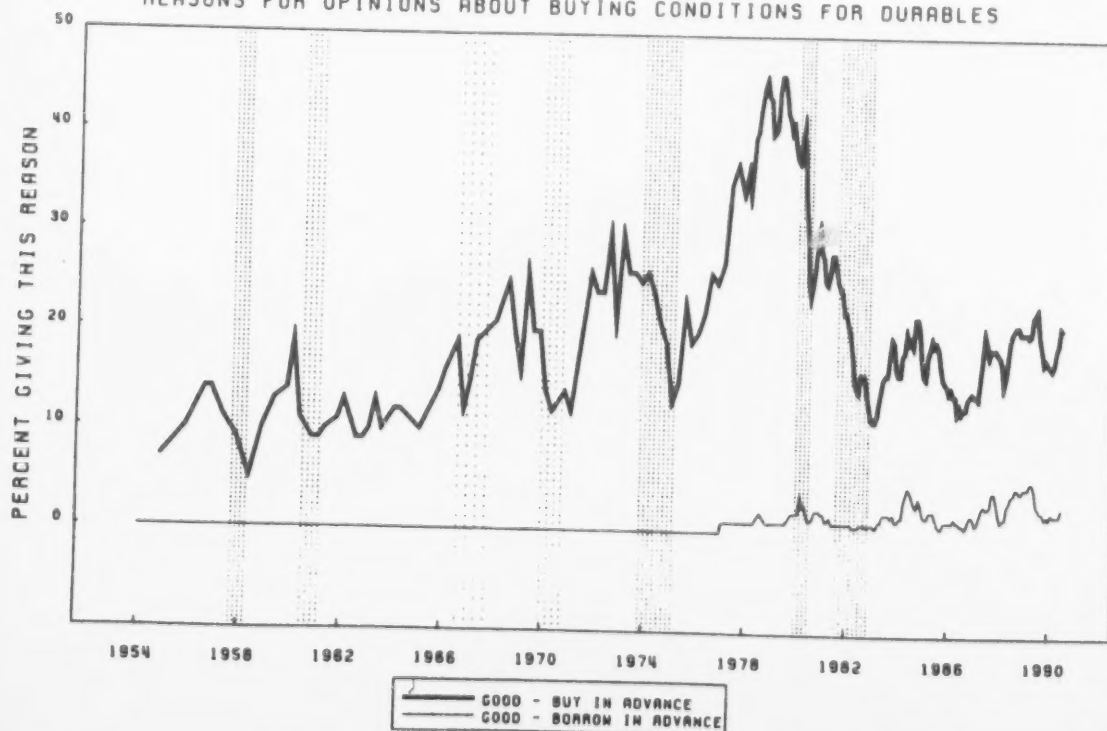


TABLE 22
SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990
GOOD TIME TO BUY:													
Prices are low; good buys available	31%	35%	34%	35%	32%	34%	45%	35%	36%	35%	32%	31%	37%
Prices won't come down; are going higher	23	16	17	19	17	16	18	16	18	22	18	23	21
Interest rates are low	7	7	7	5	7	5	5	5	8	5	5	6	3
Borrow-in-advance of rising interest rates	2	3	2	2	1	3	1	3	2	1	3	2	3
Times are good; prosperity	5	2	8	6	4	3	4	4	8	4	5	4	3
BAD TIME TO BUY:													
Prices are high	10	9	7	8	14	14	8	8	8	9	9	8	8
Interest rates are high; credit is tight	4	4	2	3	3	4	2	3	3	2	5	3	3
Times are bad; can't afford to buy	3	2	4	4	5	5	2	6	5	4	2	5	3
Bad times ahead; uncertain future	3	3	2	2	1	3	2	2	3	1	3	2	3

Responses to the query: "Why do you say so?" following the question on Table 21.
+ : May add to more than 100% due to multiple mentions.

CHART 22C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

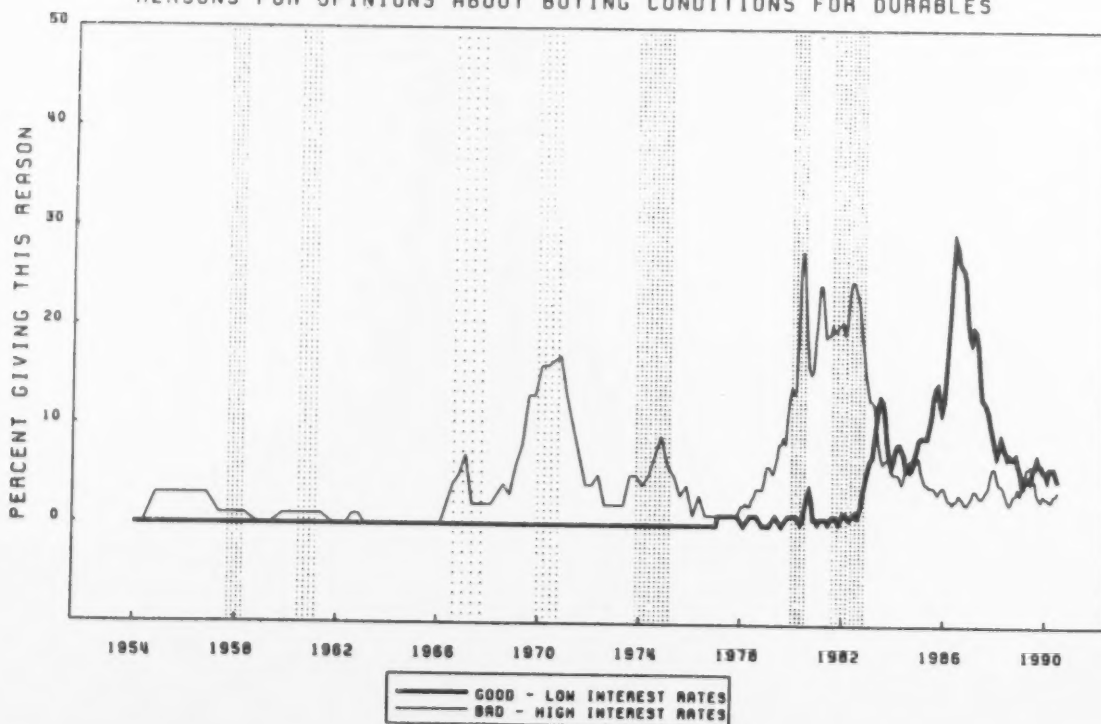


CHART 23 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

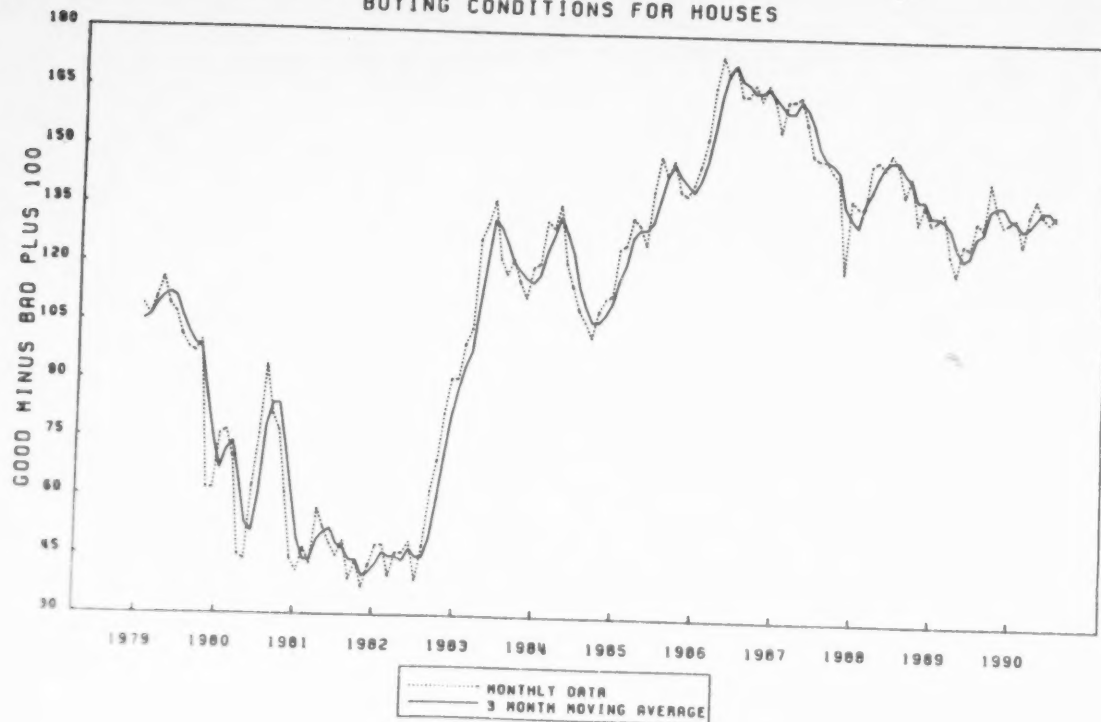


CHART 23 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

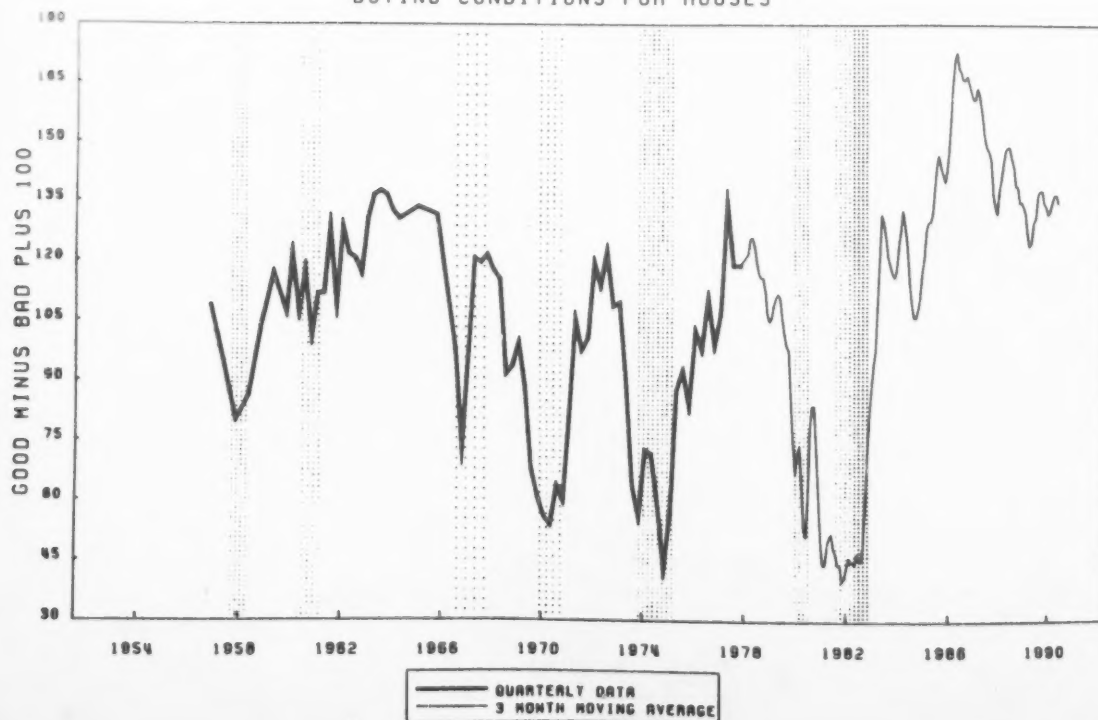


TABLE 23
BUYING CONDITIONS FOR HOUSES

	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990
GOOD TIME TO BUY	64%	64%	70%	66%	63%	64%	64%	62%	66%	68%	66%	65%	66%
UNCERTAIN, DEPENDS	6	4	4	5	7	6	7	4	4	4	4	4	4
BAD TIME TO BUY	30	32	26	29	30	30	29	34	30	28	30	31	30
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	502	506	500	502	500	500	511	503	504	504	500	500

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 24A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

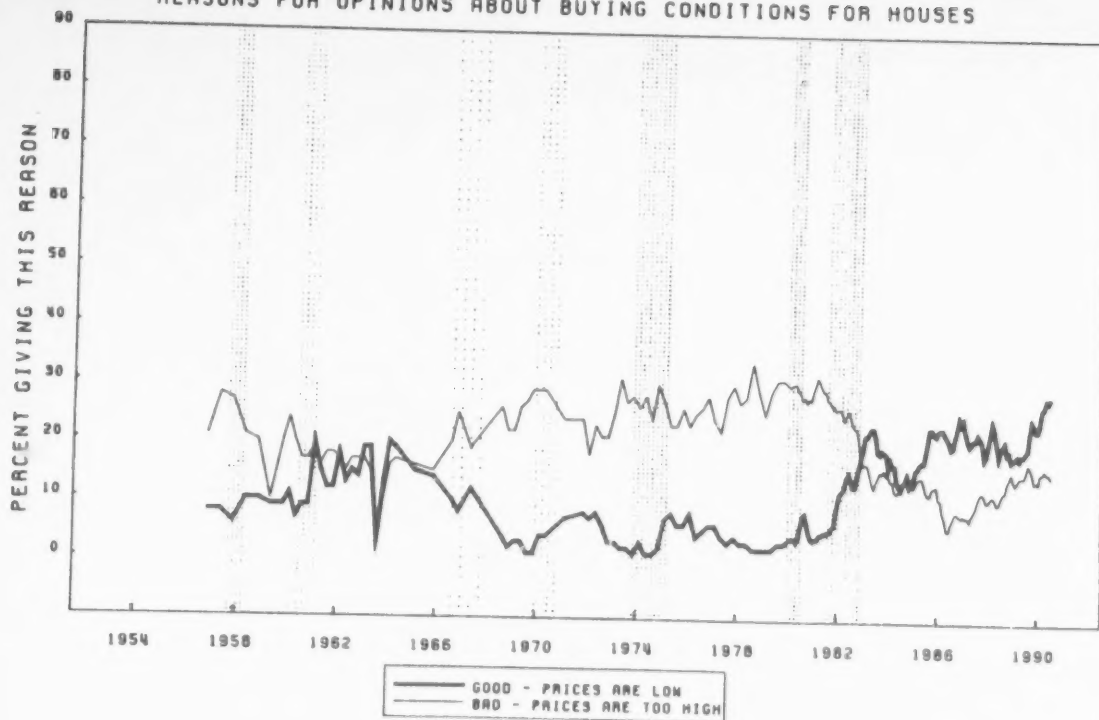


CHART 24B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

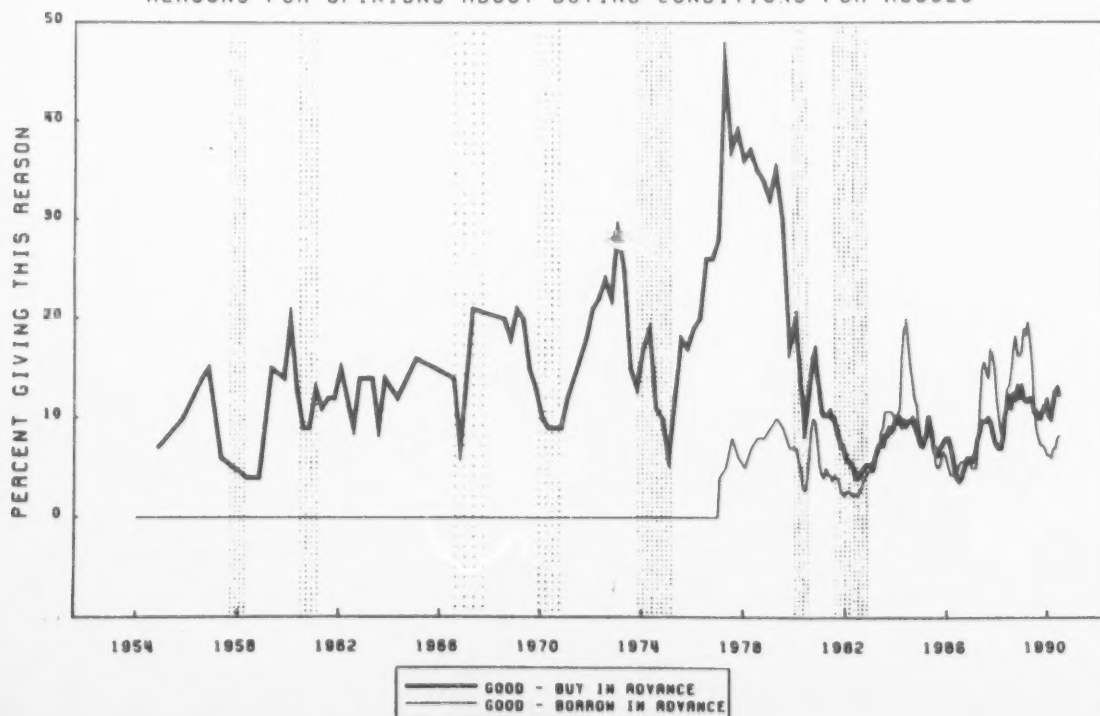


TABLE 24
SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990
GOOD TIME TO BUY:													
Prices are low;													
good buys available	19%	23%	25%	26%	21%	22%	26%	25%	29%	27%	29%	28%	29%
Prices won't come													
down; are going higher	9	11	10	9	13	12	10	9	11	14	13	12	12
Interest rates are low	27	28	36	29	29	26	31	25	28	25	17	24	24
Borrow-in-advance of													
rising interest rates	8	8	8	6	8	7	4	8	6	7	8	9	8
Good investment	8	6	7	6	8	8	8	6	6	9	7	9	6
Times are good;													
prosperity	5	3	4	5	2	3	2	3	4	5	4	1	2
BAD TIME TO BUY:													
Prices are high	18	18	14	15	13	15	14	18	15	16	16	15	14
Interest rates are													
high; credit is tight	15	15	14	13	15	17	13	18	18	14	14	19	19
Times are bad;													
can't afford to buy	6	6	6	6	8	6	6	8	5	7	6	4	4
Bad times ahead;													
uncertain future	2	2	2	1	2	3	4	2	4	1	2	5	1

Responses to the query: "Why do you say so?" following the question on Table 23.
+ : May add to more than 100% due to multiple mentions.

CHART 24C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

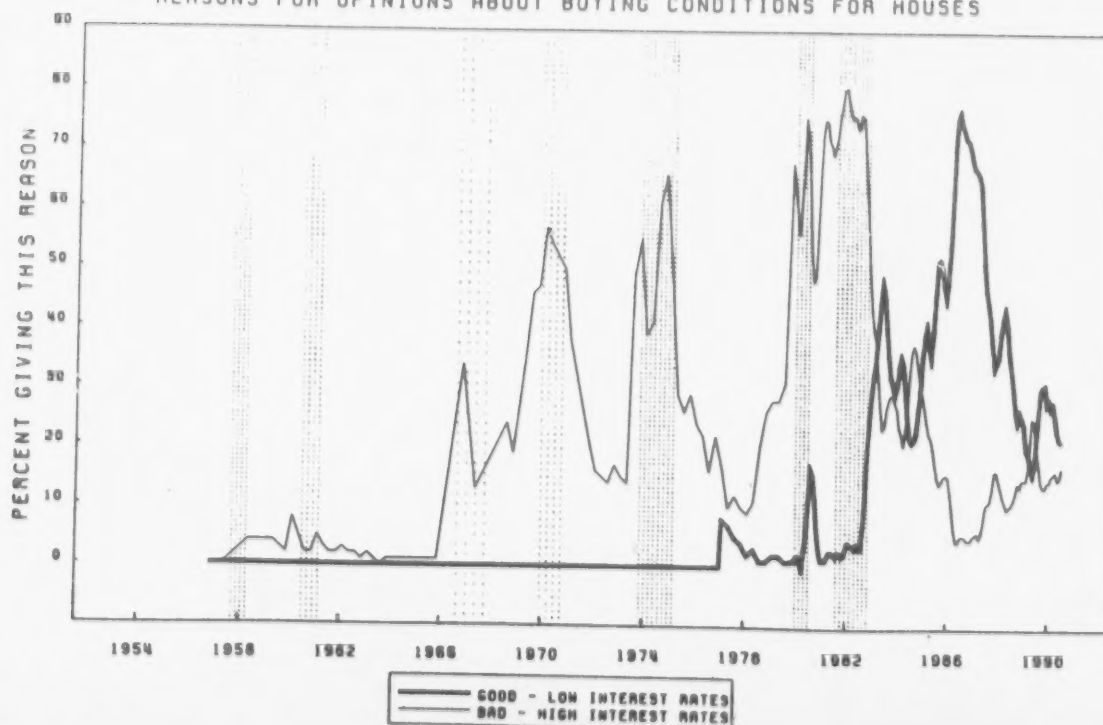


TABLE 25
BUYING CONDITIONS FOR CARS

	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990
GOOD TIME TO BUY	64%	61%	61%	62%	62%	58%	63%	63%	65%	66%	64%	63%	65%
UNCERTAIN; DEPENDS	10	11	9	10	10	10	11	6	6	7	9	8	9
BAD TIME TO BUY	26	28	30	28	28	32	26	31	29	27	27	29	26
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	501	502	506	500	502	500	500	511	503	504	504	500	500

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 26A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

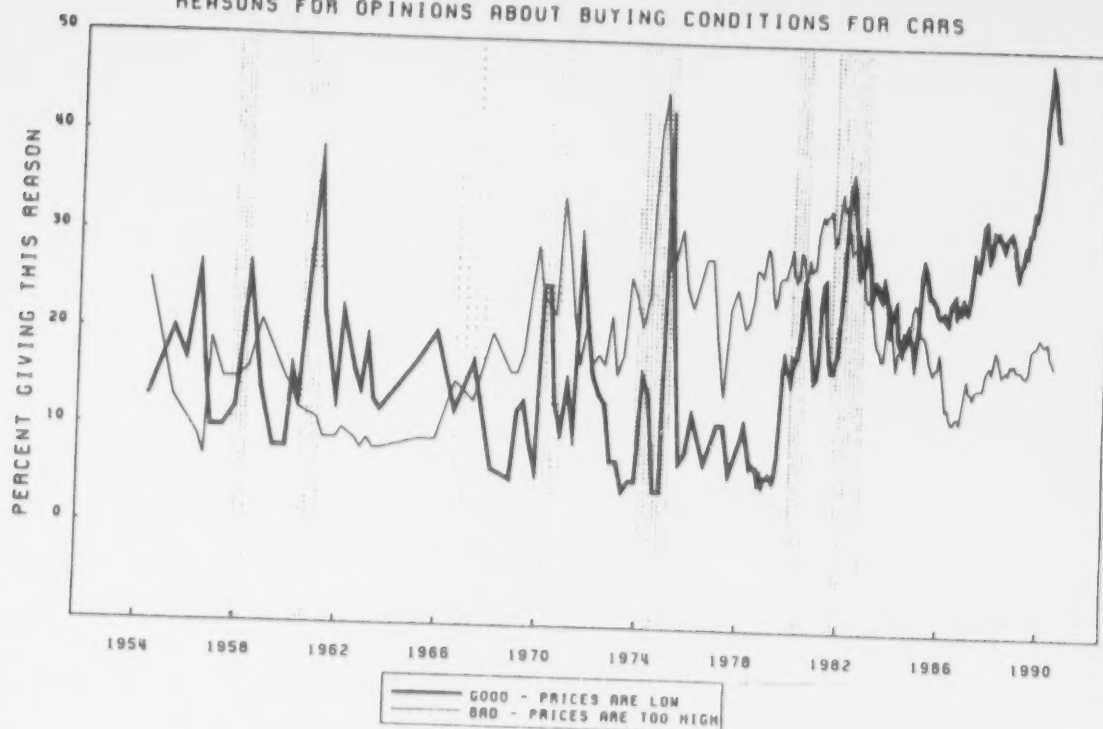


CHART 26B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

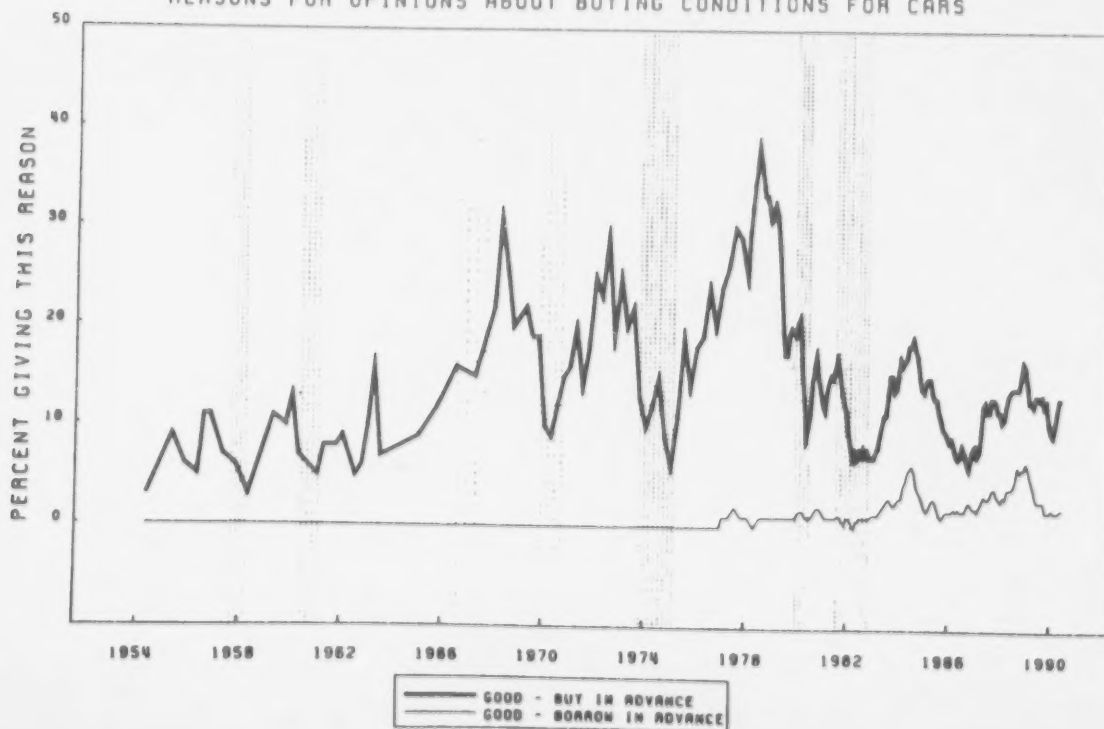
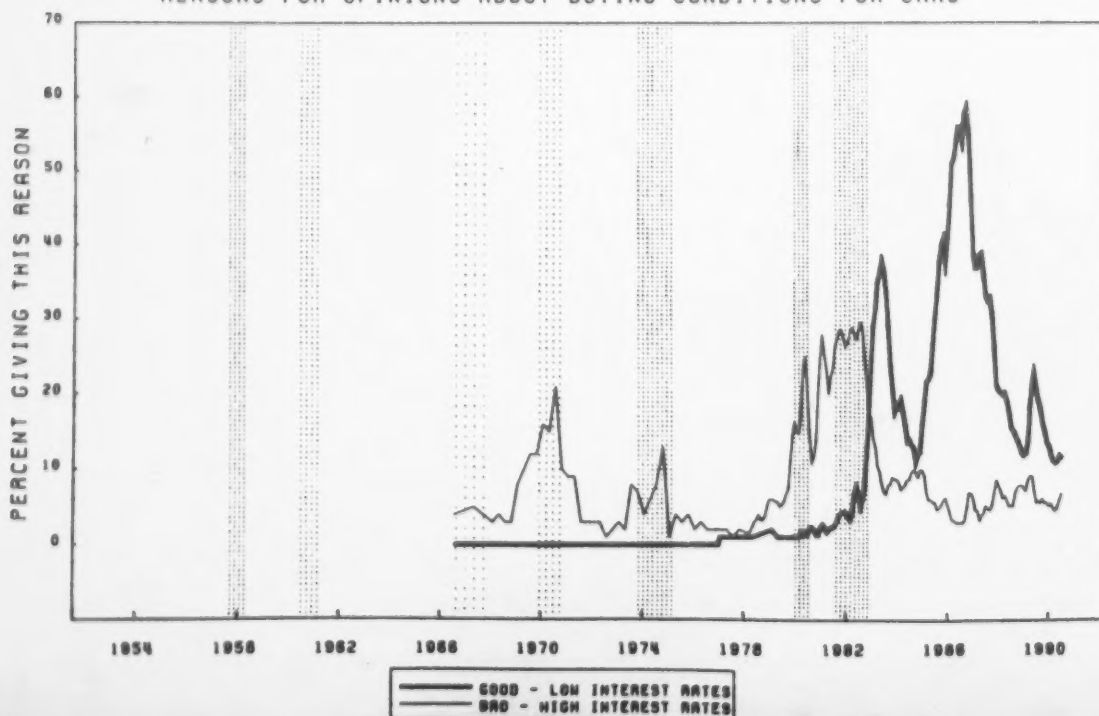


TABLE 26
SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	July 1989	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990
GOOD TIME TO BUY:													
Prices are low;													
good buys available	32%	35%	32%	36%	41%	38%	48%	48%	48%	45%	41%	41%	41%
Prices won't come													
down; are going higher	15	14	10	16	11	11	10	8	10	13	12	14	13
Interest rates are low	19	18	18	13	15	13	12	11	11	11	12	13	10
Borrow-in-advance of													
rising interest rates	2	4	2	2	1	2	2	2	1	2	2	2	2
Times are good;													
prosperity	3	2	4	3	2	1	2	2	2	2	1	2	2
BAD TIME TO BUY:													
Prices are high	18	22	19	18	23	21	17	22	21	18	17	20	16
Interest rates are													
high; credit is tight	4	7	6	6	5	6	5	6	4	4	7	7	7
Times are bad;													
can't afford to buy	2	2	5	4	4	4	2	4	4	4	2	3	5
Bad times ahead;													
uncertain future	1	2	1	2	1	1	2	2	2	2	2	3	1
Poor selection;													
quality	3	2	3	2	3	4	3	3	4	2	3	4	3

Responses to the query: "Why do you say so?" following the question on Table 25.
+ : May add to more than 100% due to multiple mentions.

CHART 26C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS



EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES

THE INDEX OF CONSUMER SENTIMENT

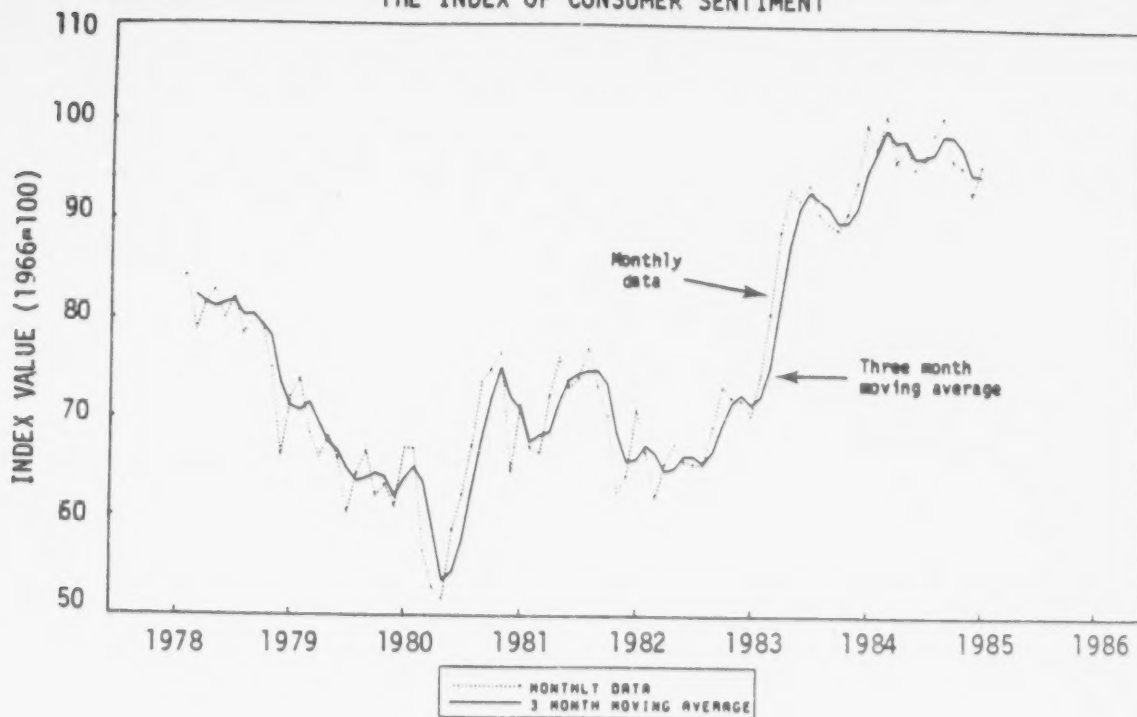
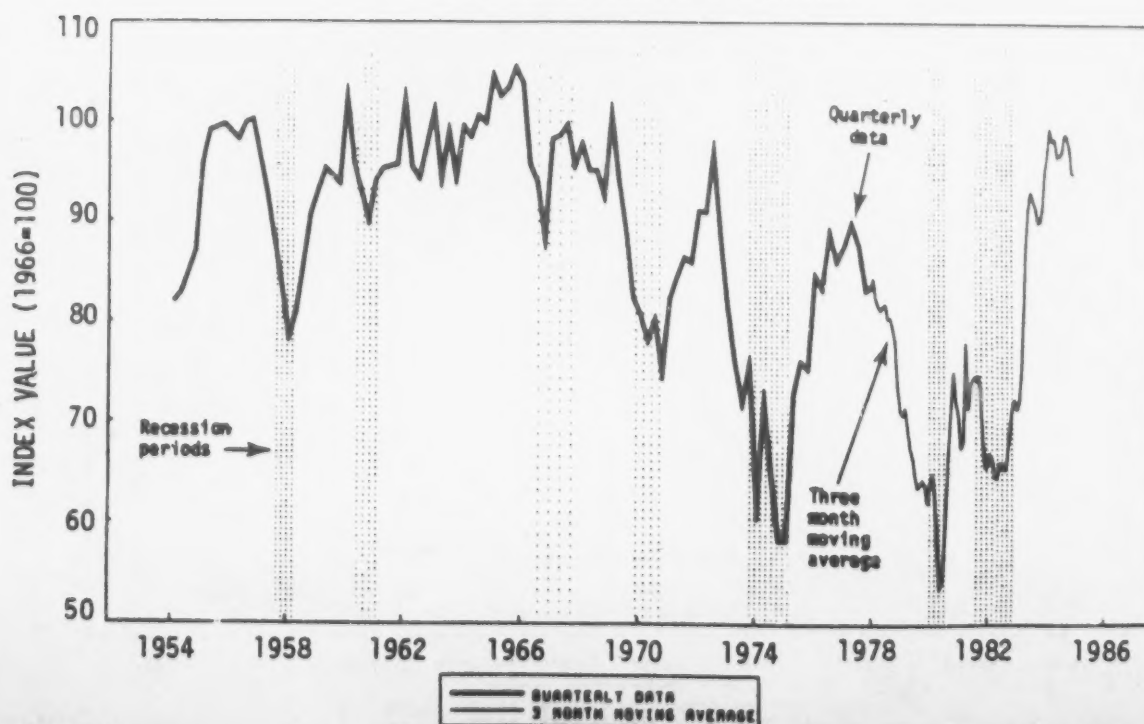


CHART 1 - HISTORICAL SERIES

THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHARTS

DATA POINTS

QUARTERLY DATA: Data collected by surveys conducted at three month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE-MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

TIME SCALE

Each tic mark on the time scale represents the month of January for the indicated year.

RECESSION PERIODS

November	1948 - October	1949
July	1953 - May	1954
August	1957 - April	1958
April	1960 - February	1961
June	1966 - November	1967*
December	1969 - November	1970
November	1973 - March	1975
January	1980 - July	1980
July	1981 - November	1982

Recession dates are determined by the National Bureau of Economic Research.

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters

***GROWTH RECESSION:** Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

RECOMMENDED ALLOWANCE FOR SAMPLING ERROR OF A PERCENTAGE
(Sampling Error Allowance in Percentage Points¹)

For Estimated Percentage Near	Number of Interviews											
	100	200	300	400	500	750	1000	1250	1500	2000	2500	3000
1% or 99%	2.2	1.6	1.3	1.1	1.0	0.8	0.7	0.6	0.6	0.5	0.4	0.4
5% or 95%	4.9	3.5	2.8	2.4	2.2	1.8	1.5	1.4	1.3	1.1	1.0	0.9
10% or 90%	6.7	4.8	3.9	3.4	3.0	2.4	2.1	1.9	1.7	1.5	1.3	1.2
20% or 80%	9.0	6.3	5.2	4.5	4.0	3.3	2.8	2.5	2.3	2.0	1.8	1.6
30% or 70%	10.3	7.3	5.9	5.1	4.6	3.7	3.2	2.9	2.6	2.3	2.0	1.9
40% or 60%	11.0	7.8	6.3	5.5	4.9	4.0	3.5	3.1	2.8	2.4	2.2	2.0
50%	11.2	7.9	6.5	5.6	5.0	4.1	3.5	3.2	2.9	2.5	2.2	2.0

¹The figures in this table represent two standard errors. Hence, the chances are 95 in 100 that the true percentage lies within a range equal to the observed percentage, plus or minus the sampling error.

Surveys of Consumers

Richard T. Curtin, *Director*

CRISIS IN CONSUMER CONFIDENCE: TEMPORARY PLUNGE OR PRELUDE TO FURTHER DECLINES?

Sharp Decline In Confidence

The Middle East crisis has brought about a crisis in U.S. consumer confidence. The Index of Consumer Sentiment fell sharply to 76.4 in the August 1990 survey from 88.2 one month earlier. Overall, most results in the August survey were at the lowest level recorded since the end of the last recession in 1982.

The one-month decline of 11.8 Index-points was larger than the one following the 1987 stock market crash, and just slightly less than the record one-month decline of 12.2 Index-point recorded in 1980. Prior to the start of monthly surveys, the largest quarterly decline was recorded following the 1973 oil embargo, when the Index fell 14.7 Index-points.

If the current depressed levels of consumer confidence are sustained or further weakened in the months ahead, these data certainly point toward recessionary cutbacks in consumer spending.

While it has often been true that sharp declines have been followed by rebounds, it has been rare that the rebound fully restores consumer confidence to its prior level—with the 1987 stock market crash being the exception. More typically, the rebound has proven temporary, only to yield to further declines, especially when attitude trends were already weakening prior to the sharp loss in confidence.

While the risk of a recession is now undoubtedly greater than before, it is not a foregone conclusion that a full scale recession will develop before year-end. Throughout this long expansion, consumers have shown a good deal of resilience, not allowing adverse developments in one region or sector of the economy to dominate their views.

The crucial issue is whether a sufficient number of favorable economic developments occur in the coming months to sustain an improving trend in confidence beyond any initial rebound. Unlike the situation prior to the Middle East crisis, when unchanged attitudes meant the continuation of the expansion, at the present time improvement is needed to avoid cumulative spending cutbacks.

Widespread August Decline

Declines in consumer confidence were recorded among all regions and population subgroups. Among families with incomes of \$40,000 or more, the Index of Consumer Sentiment fell to 78.9 in August from 94.4 in July.

The largest declines in consumer confidence were recorded among residents of the Northeast (67.2 in August, down from 82.6 in July) and North Central (78.0, down from 93.3) regions, followed by residents of the West (80.1, down from 90.1) and the South (78.7, down from 85.3).

Leading Indicator Component Posts Sharp Decline

The Index of Consumer Expectations fell to 62.9 in the August 1990 survey from 77.3 one month earlier and 85.5 one year earlier. The decline reflected sharply lower assessments of prospects for the general economy. The 14.4 index-point decline (18.6% of its July level) will have a significant negative impact on the Index of Leading Indicators.

The Index of Current Economic Conditions fell by a more modest amount, declining to 97.5 in August from 105.1 in July.

Outlook for Economy Abruptly Turns Negative

The proportion of families with unfavorable views about prospects for business conditions during the year ahead jumped to 63 percent in August from 43 percent in July and 33 percent at the start of the year. Just 25 percent of all families in the August survey expected good times financially in the economy as a whole during the year ahead, down from 40 percent in July and 52 percent at the start of the year. Overall, the August decline was the steepest one-month decline since the monthly survey began in 1978—only smaller than the record quarterly decline following the oil embargo in 1973.

Consumers also viewed prospects for the economy over the longer term less favorably, but the August decline was not as sharp as for the one year prospects. Among all families in the August 1990 survey, 56 percent expected bad times financially during the next 5 years, up from 50 percent in July.

Sharp Increase in Inflation Expected

The rate of inflation was expected to average 6.1% during the next 12 months in the August 1990 survey, up substantially from the 4.7% recorded both one month and one year earlier. The August reading was the highest recorded since 1982.

Unemployment Rate Expected to Increase

The national unemployment rate was expected to increase by 46 percent of all families in the August 1990 survey, up from 37 percent one month earlier. This is the most negative reading recorded since the last recession period.

Interest Rates Expected to Increase

Interest rates were expected to rise during the year ahead by 59 percent of all families in the August 1990 survey, up from 50 in July, reversing the improvement from the June survey when 56 percent expected increases. The proportion that expected declines in interest rates, however, also edged upward, to 19 percent in the August survey from 18 percent in both the June and July surveys. Overall, the Middle East crisis has had the least impact on interest rate expectations, with expectation in August comparable to the levels recorded in June 1990.

Confidence in Government Economic Policies Continues to Sag

Confidence in government economic policies to combat inflation and unemployment fell in the August 1990 survey. Among all families, 31 percent gave unfavorable ratings in the August survey, up from 27 percent in July and 17 percent at the start of the year. The August reading was the least favorable assessment of government economic policies in more than seven years.

Personal Finances Strained But Remain Favorable

Consumers' assessments of their personal financial situation worsened in the August survey in reaction to rising gasoline prices. Although the decline left these personal financial evaluations at the lowest levels since the start of the expansion, their overall level still remained relatively favorable.

Consumers' assessments of their current financial situation worsened due to rising gasoline prices. Among all families in the August 1990 survey, 36 percent reported that their financial situation had improved during the past year, down from the 43 percent recorded in each of the prior three months. The proportion of families that cited higher prices as making them worse off rose to 18 percent, the highest proportion since the start of the expansion.

Financial prospects for the year ahead were viewed favorably by 32 percent of all families in the August 1990 survey, down from the 37 percent recorded both one month and one year earlier. Most families (52 percent) expected their financial situation to remain largely unchanged during the year ahead. Importantly, just 13 percent expected that their financial situation would worsen during the year ahead in the August survey.

Buying Attitudes Weaken

Favorable buying attitudes toward vehicles, homes, and large household durables each declined in the August 1990 survey.

Vehicles. Attitudes toward buying conditions for vehicles weakened significantly in the August 1990 survey. Among all families, the proportion that thought it was a bad time to buy rose to 38 percent in August from 26 percent in July. Overall, car buying attitudes were at their lowest level in the August survey since the start of the expansion.

The proportion of families that mentioned the availability of price discount fell to 32 percent in August from 41 percent in July and the all-time peak of 48 percent recorded six months earlier. At the same time complaints about high vehicle prices rose to 21 percent in August from 16 percent in July.

Uncertainty about future gasoline prices was also cited by families as a reason for making it a bad time to consider a vehicle purchase. In the August survey, 5 percent mentioned this factor in explaining why they had negative views on vehicle buying conditions.

Homes. The proportion of families holding favorable attitudes toward buying conditions for homes fell to 59 percent in August from 66 percent in July. Unfavorable assessments of home buying conditions rose to 37 percent in August from 30 percent in July. Overall, the August data was at the weakest levels recorded during the past five years.

The recent decline was partly due to trends in mortgage rates, but mainly due to rising concerns about the current and future state of the economy. In the August survey, 8 percent mentioned that current economic conditions made it a bad time to buy a home, up from 4 percent in July, and 6 percent mentioned that the depressed prospects for the year ahead made it a bad time to buy a home, up from 1 percent in July.

Fewer families mentioned the availability of low mortgage rates (21 percent in August, down from 24 percent in July), and more families registered complaints about high mortgage rates (20, up from 19 percent).

Durables. Attitudes toward buying conditions for furniture, appliances, and home electronic goods posted the smallest August decline of the markets studied. Among all families in the August survey, 69 percent held favorable attitudes toward buying conditions for large household durables, down from 73 percent in July. The decline in favorable buying attitudes was due to fewer families citing the availability of price discounts—falling to 30 percent in August from 37 percent in July.

* * *

The August 1990 survey included 500 completed interviews conducted between August 1 and August 29, 1990.

0175-2

SURVEYS OF CONSUMERS

AUGUST 1990

Surveys of Consumers



SURVEYS OF CONSUMERS

AUGUST 1990

The August 1990 survey was the 265th in a series of Surveys of Consumers conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results for the total sample will differ by no more than 5 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

While every effort is made to accurately measure consumer attitudes and expectations, factors other than sampling may also affect the accuracy of these (and other) findings. These factors may include effects of the question wording, the ability of respondents to articulate answers and opinions, refusal to participate in the survey, and incomplete coverage of the population. There are no standard measures of these effects, but their presence should be acknowledged when using these and all other survey data. While measurement effects are present in all surveys, a noted advantage of time-series data is that the non-sampling influences remain relatively constant across samples.

Richard Curtin, Director • Surveys of Consumers • P.O. Box 1248 • Ann Arbor, Michigan 48106
Phone: (313) 763-5224 • Fax: (313) 764-3488

TABLE OF CONTENTS

TABLE	TITLE
--------------	--------------

- | | |
|-----|---|
| 1. | The Index of Consumer Sentiment |
| 2. | Index of Consumer Sentiment within Region and Age Subgroups |
| 3. | Components of the Index of Consumer Sentiment |
| 4. | Current Financial Situation Compared to a Year Ago |
| 5. | Selected Reasons for Opinions About Personal Financial Situation |
| 6. | Expected Change in Financial Situation |
| 7. | Trend in Personal Financial Situation |
| 8. | Expected Family Income Change During the Next 12 Months |
| 9. | Expected Change in Real Family Income |
| 10. | News Heard of Recent Changes in Business Conditions |
| 11. | Selected Items of News Heard of Recent Changes in Business Conditions |
| 12. | Current Business Conditions Compared to a Year Ago |
| 13. | Expected Change in Business Conditions in a Year |
| 14. | Trend in Past and Expected Changes in Business Conditions |
| 15. | Business Conditions Expected During the Next 12 Months |
| 16. | Business Conditions Expected During the Next 5 Years |
| 17. | Expected Change in Unemployment |
| 18. | Expected Change in Interest Rates |
| 19. | Expected Change in Prices During the Next 12 Months |
| 20. | Opinions About the Government's Economic Policy |
| 21. | Buying Conditions for Large Household Goods |
| 22. | Selected Reasons About Buying Conditions for Large Household Goods |
| 23. | Buying Conditions for Houses |
| 24. | Selected Reasons for Opinions About Buying Conditions for Houses |
| 25. | Buying Conditions for Cars |
| 26. | Selected Reasons for Opinions About Buying Conditions for Cars |
-

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

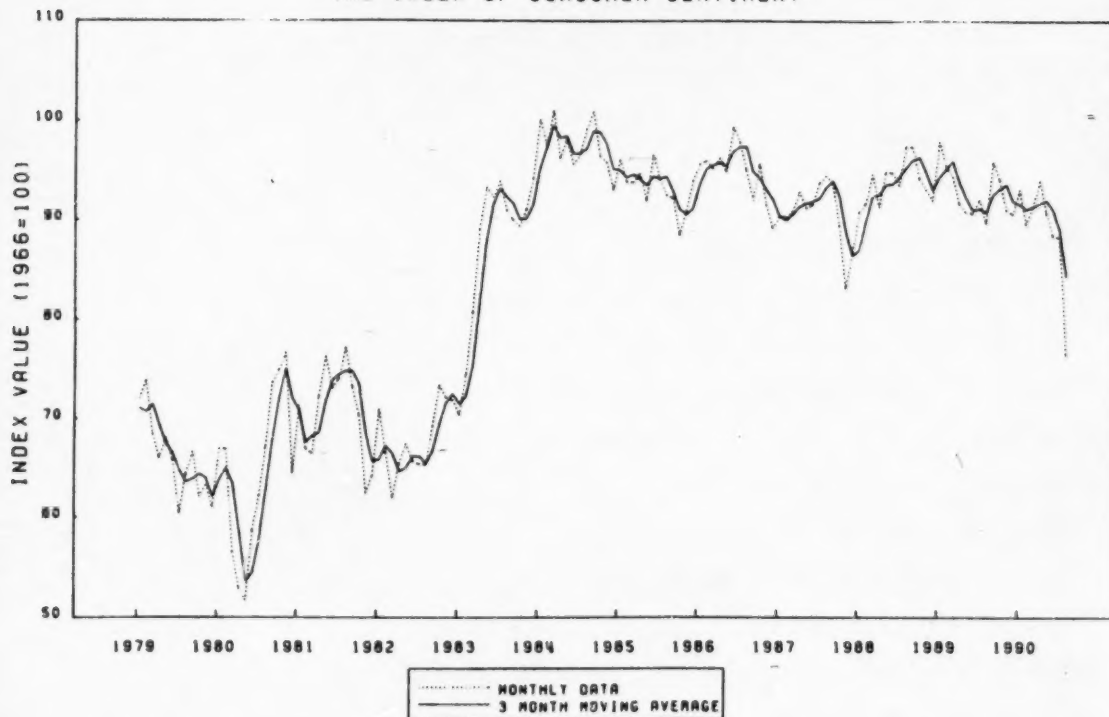


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

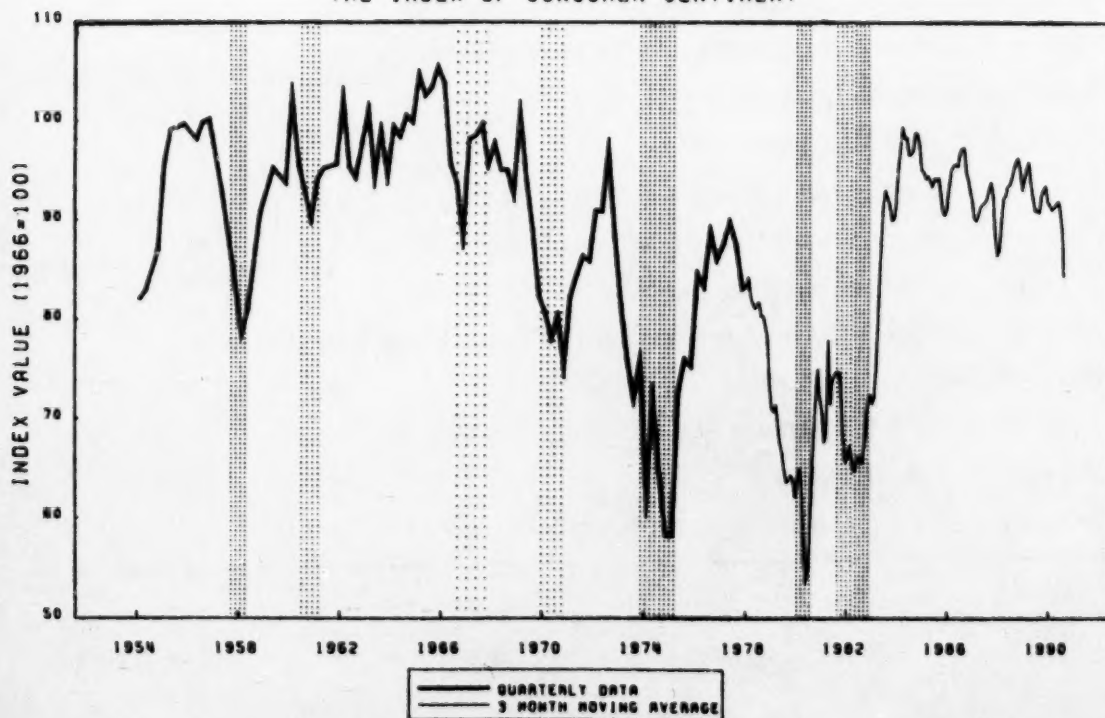


TABLE 1
THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	All families	Families with incomes over \$30,000	Families with incomes over \$40,000
August 1987	94.4	104.4	109.1
September 1987	93.6	100.6	104.3
October 1987	89.3	99.9	101.8
November 1987	83.1	87.7	90.5
December 1987	86.8	94.5	96.1
January 1988	90.8	99.0	99.9
February 1988	91.6	98.1	100.8
March 1988	94.6	103.7	104.6
April 1988	91.2	99.1	99.6
May 1988	94.8	106.6	108.3
June 1988	94.7	102.3	102.7
July 1988	93.4	100.5	103.9
August 1988	97.4	105.1	104.2
September 1988	97.3	102.8	105.4
October 1988	94.1	103.0	103.7
November 1988	93.0	102.0	101.0
December 1988	91.9	97.0	99.5
January 1989	97.9	108.4	106.8
February 1989	95.4	104.6	109.6
March 1989	94.3	98.6	100.0
April 1989	91.5	99.1	99.8
May 1989	90.7	100.6	100.3
June 1989	90.6	95.2	95.4
July 1989	92.0	103.2	101.9
August 1989	89.6	93.5	93.1
September 1989	95.8	104.1	103.0
October 1989	93.9	100.2	103.6
November 1989	90.9	99.4	100.5
December 1989	90.5	100.0	104.1
January 1990	93.0	99.9	103.2
February 1990	89.5	93.9	91.8
March 1990	91.3	98.4	98.8
April 1990	93.9	99.8	103.3
May 1990	90.6	97.1	98.6
June 1990	88.3	97.9	99.1
July 1990	88.2	93.9	94.4
August 1990	76.4	80.1	78.9

CHART 2A - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

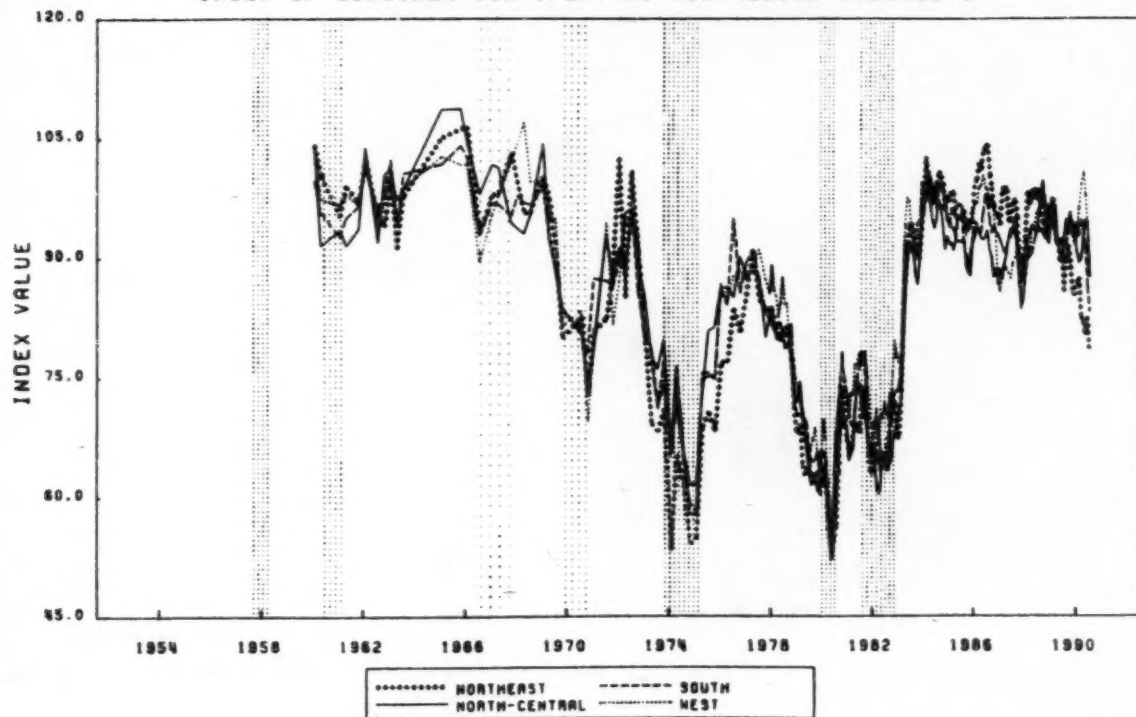


CHART 2B - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

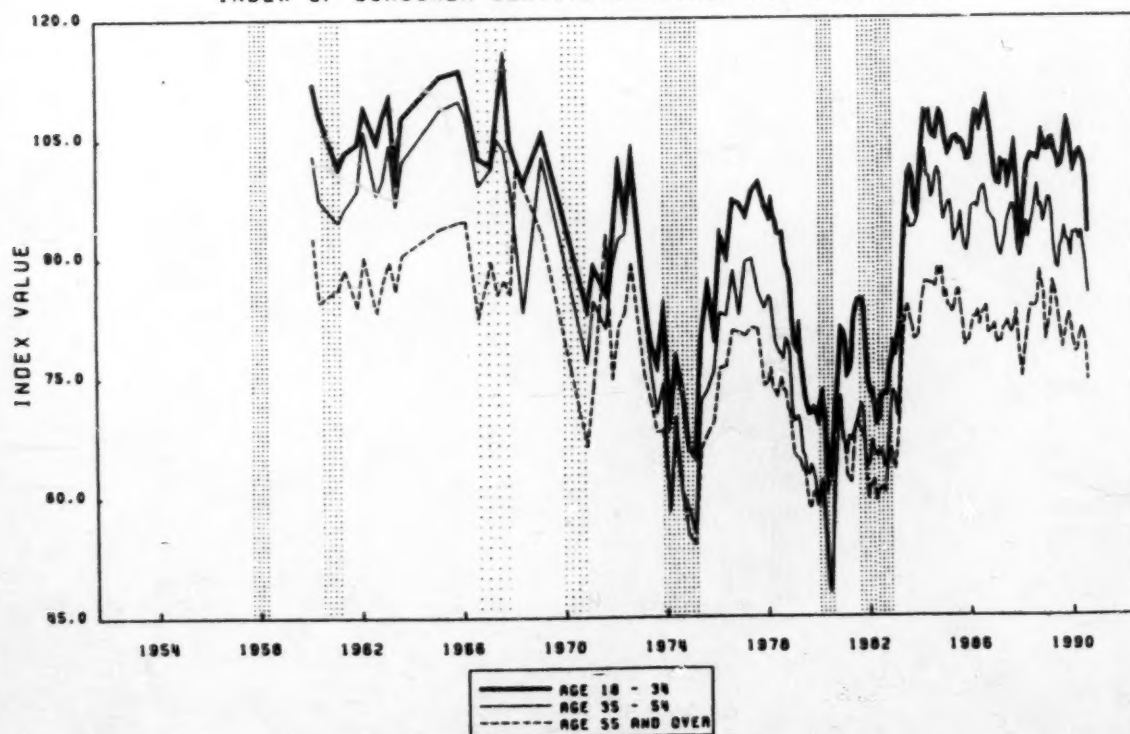


TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY	CENSUS REGION				AGE OF RESPONDENT		
	North East	North Central	South	West	18-34	35-54	55+
August 1987	99.0	91.0	95.2	93.2	103.3	95.8	80.8
September 1987	92.2	94.7	94.9	91.5	104.1	95.4	82.6
October 1987	93.8	87.2	88.3	89.1	92.0	89.9	86.2
November 1987	83.9	79.6	87.9	79.4	91.7	86.6	70.8
December 1987	83.4	83.6	90.4	89.2	94.1	92.9	73.6
January 1988	99.8	91.3	87.6	88.5	98.3	93.6	80.1
February 1988	93.7	92.1	92.8	86.3	102.5	90.3	79.9
March 1988	101.2	92.9	91.6	95.3	103.5	98.9	80.0
April 1988	94.9	93.9	88.6	89.0	100.0	87.5	86.6
May 1988	99.1	95.5	91.1	97.3	104.2	95.4	84.7
June 1988	98.1	91.2	95.9	95.2	103.1	102.0	79.5
July 1988	98.3	92.0	91.8	94.0	99.6	93.0	86.6
August 1988	95.7	100.9	94.4	98.5	103.6	101.7	86.3
September 1988	95.2	101.9	93.3	97.6	106.1	93.3	91.4
October 1988	91.8	96.1	92.9	96.6	105.8	94.6	82.0
November 1988	95.8	90.6	90.5	98.9	100.4	94.3	82.2
December 1988	90.8	90.2	96.1	88.0	103.7	97.1	73.9
January 1989	96.9	94.2	99.9	102.2	105.8	100.3	86.7
February 1989	103.5	99.2	88.8	93.6	104.3	94.2	86.7
March 1989	91.5	95.8	96.1	92.2	103.9	91.8	87.0
April 1989	83.9	94.6	93.4	90.3	101.0	87.5	83.8
May 1989	99.9	86.7	87.3	94.3	102.2	86.9	81.9
June 1989	84.7	91.2	94.4	89.8	100.0	90.4	81.1
July 1989	87.2	91.9	95.6	91.8	101.9	95.8	78.0
August 1989	85.2	93.6	85.0	95.7	105.7	88.9	76.1
September 1989	97.1	98.8	94.0	92.7	107.1	96.2	84.9
October 1989	92.1	89.6	99.5	92.6	107.3	90.5	83.9
November 1989	77.5	98.7	87.2	99.4	102.2	88.6	79.3
December 1989	87.1	89.2	93.5	90.7	99.3	90.3	80.4
January 1990	91.0	94.2	93.8	92.2	101.4	99.5	78.3
February 1990	82.0	88.2	91.5	95.1	104.9	88.2	74.7
March 1990	89.5	85.5	92.5	101.5	101.7	91.4	81.1
April 1990	75.9	95.6	100.1	101.1	102.8	96.0	83.6
May 1990	80.4	96.5	88.0	99.5	102.6	91.6	77.9
June 1990	84.6	92.1	85.5	92.3	99.5	85.8	79.2
July 1990	82.6	93.3	85.3	90.1	95.1	89.4	79.2
August 1990	67.2	78.0	78.7	80.1	83.9	80.4	64.5

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

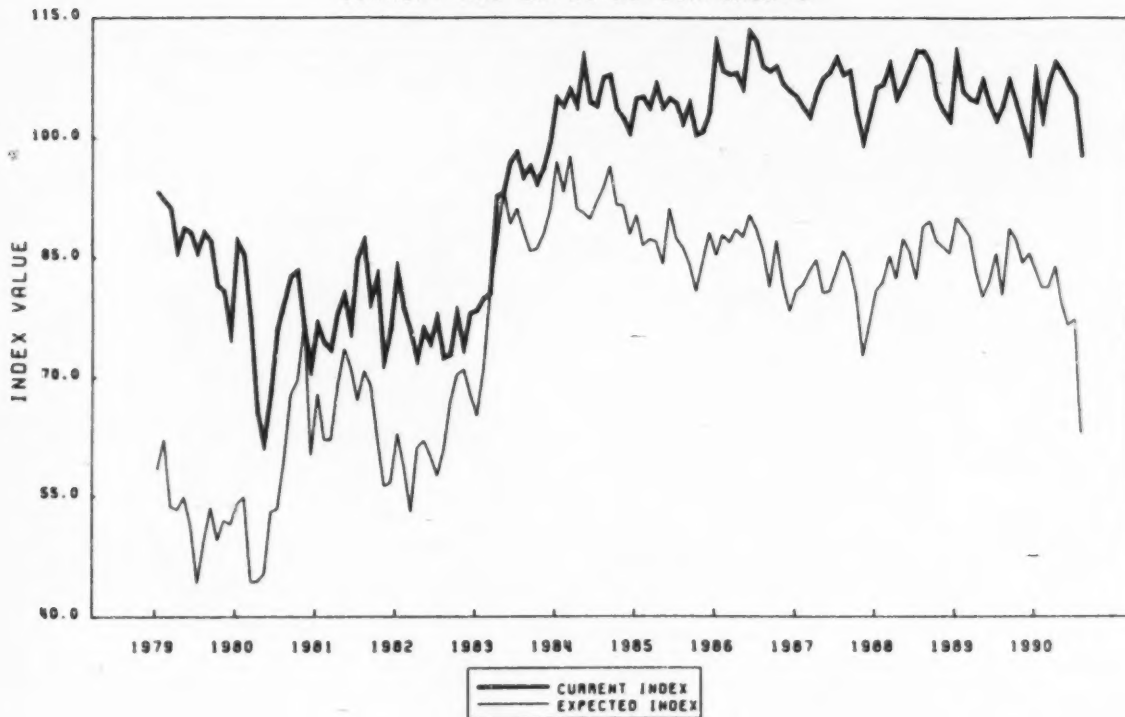


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

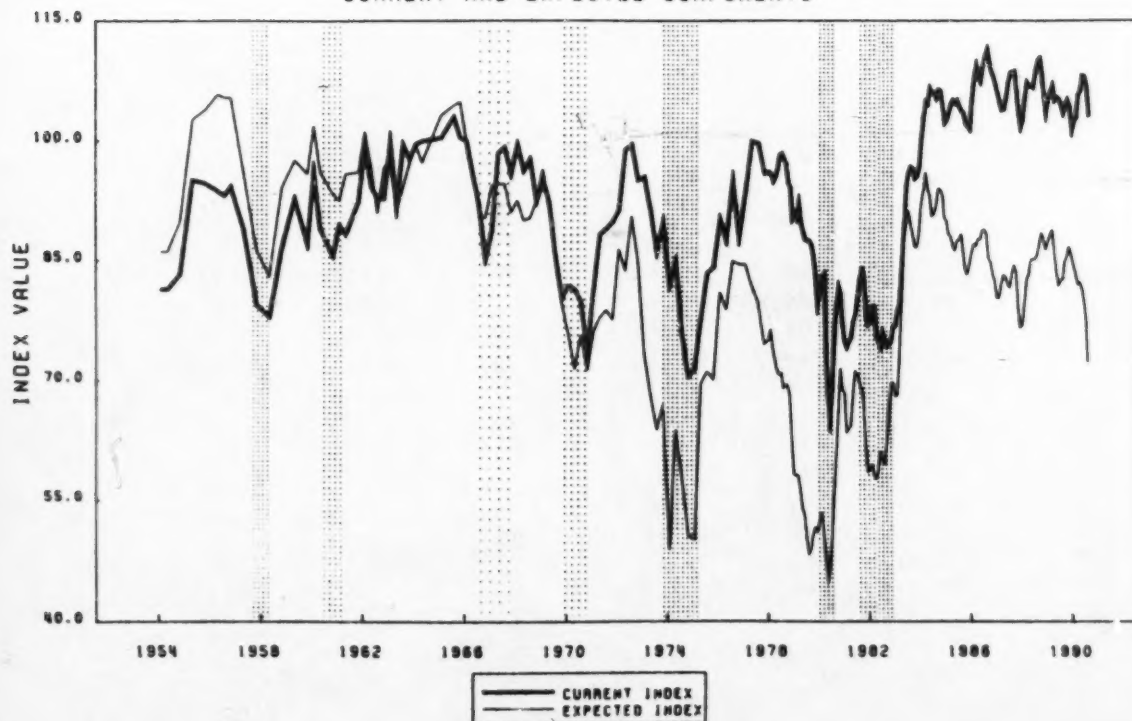


TABLE 3
COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT
INDEX COMPONENTS +

DATE OF SURVEY	Personal finances		Business conditions		Buying conds.	Current Index	Expected Index
	Current	Expected	12 months	5 years			
	(1)	(2)	(3)	(4)	(5)	(1,5)	(2,3,4)
August 1987	122	127	125	93	157	107.8	85.8
September 1987	119	124	122	92	162	108.3	84.2
October 1987	118	128	105	90	149	103.1	80.4
November 1987	115	118	93	80	142	99.3	72.7
December 1987	119	120	98	89	147	102.7	76.7
January 1988	122	131	110	84	154	106.2	80.9
February 1988	122	130	108	90	155	106.6	81.9
March 1988	127	133	114	96	156	109.1	85.2
April 1988	117	125	117	89	154	104.8	82.4
May 1988	111	127	125	98	165	106.5	87.3
June 1988	119	129	121	95	163	108.6	85.7
July 1988	120	128	106	96	167	110.7	82.3
August 1988	127	127	125	105	160	110.8	88.8
September 1988	127	133	125	102	157	109.4	89.5
October 1988	114	124	129	97	158	105.0	87.0
November 1988	112	128	122	97	156	103.3	86.3
December 1988	114	127	119	98	150	102.0	85.5
January 1989	121	131	128	103	165	110.3	89.9
February 1989	120	130	128	99	154	105.7	88.8
March 1989	116	131	123	98	156	104.8	87.6
April 1989	113	130	113	91	158	104.4	83.2
May 1989	121	125	107	89	157	107.1	80.1
June 1989	115	123	115	90	155	104.1	82.0
July 1989	112	123	124	96	152	102.1	85.5
August 1989	114	126	109	88	156	103.9	80.3
September 1989	117	129	127	101	161	107.1	88.6
October 1989	114	134	124	93	156	104.4	87.2
November 1989	116	130	116	92	146	101.2	84.3
December 1989	115	129	115	99	140	98.2	85.5
January 1990	116	124	119	92	164	108.0	83.4
February 1990	108	126	111	90	157	102.3	81.3
March 1990	117	125	108	93	160	106.9	81.3
April 1990	122	136	110	92	162	109.4	83.9
May 1990	119	126	110	83	161	108.1	79.3
June 1990	119	125	100	83	158	106.5	76.6
July 1990	115	127	98	84	158	105.1	77.3
August 1990	105	119	63	68	147	97.5	62.9

(1) See Table 4 (2) See Table 6 (3) See Table 15 (4) See Table 16 (5) See Table 21
+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES"
(or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

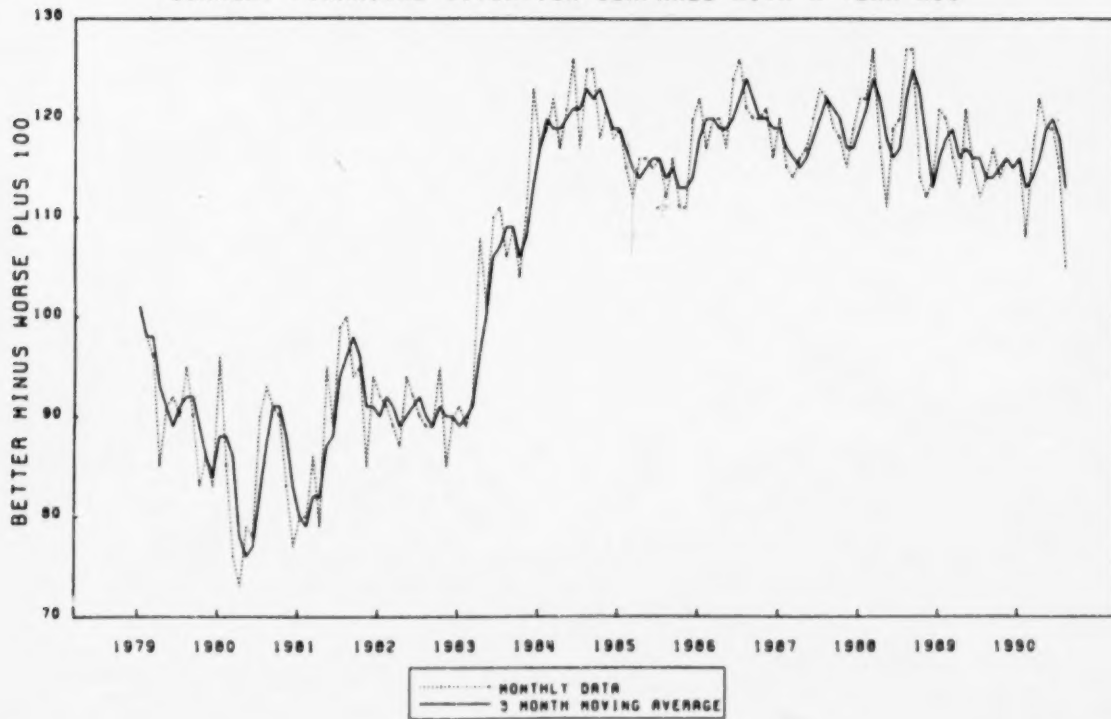


CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

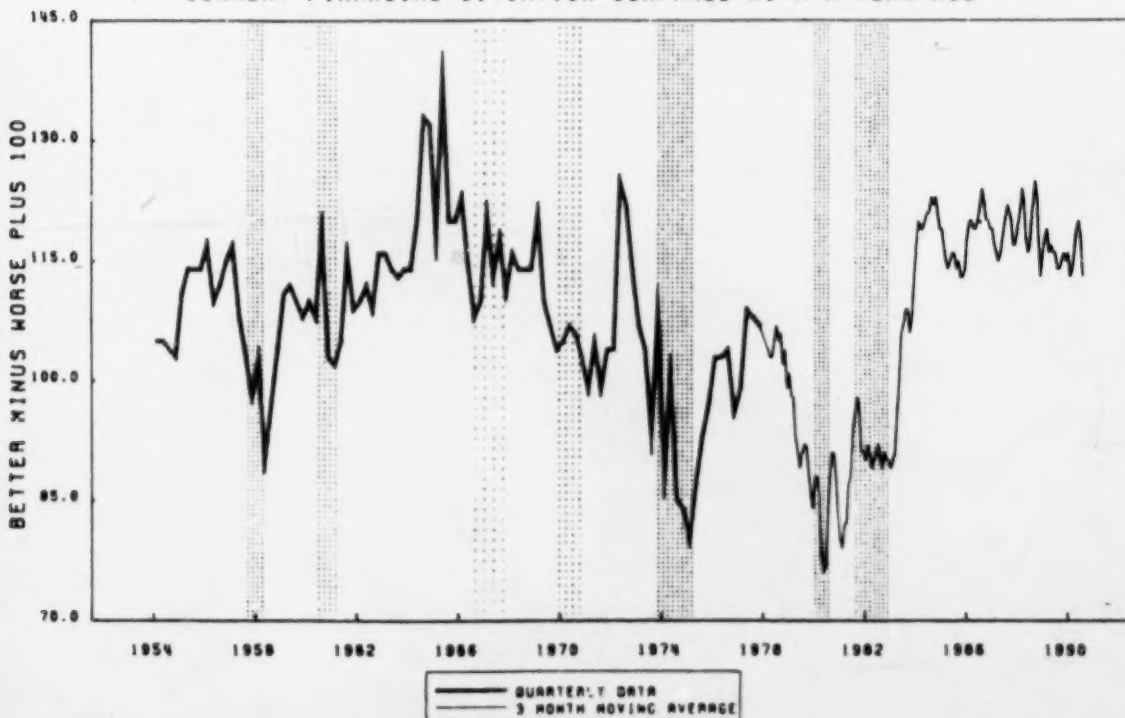


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990	Aug. 1990
BETTER OFF	41%	42%	42%	42%	41%	43%	38%	43%	46%	43%	43%	43%	36%
SAME	32	32	30	32	32	30	32	30	29	33	33	29	33
WORSE OFF	27	25	28	26	26	27	30	26	24	24	24	28	31
DK,NA	*	1	*	*	1	*	*	1	1	*	*	*	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	502	506	500	502	500	500	511	503	504	504	500	500	500

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

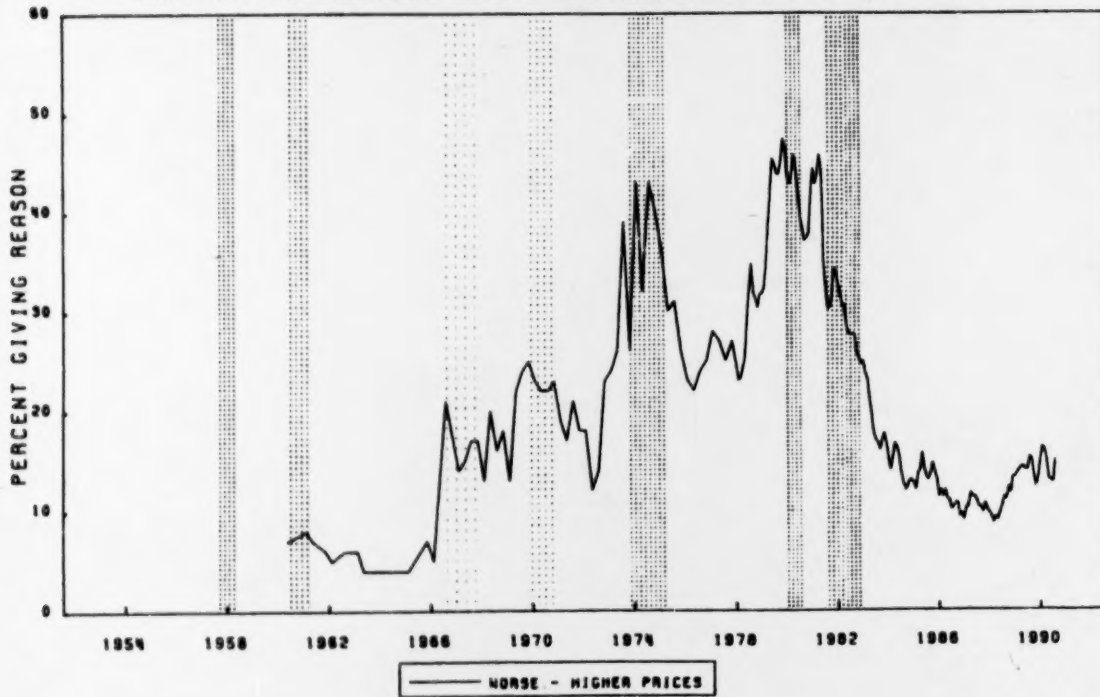


CHART 5B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

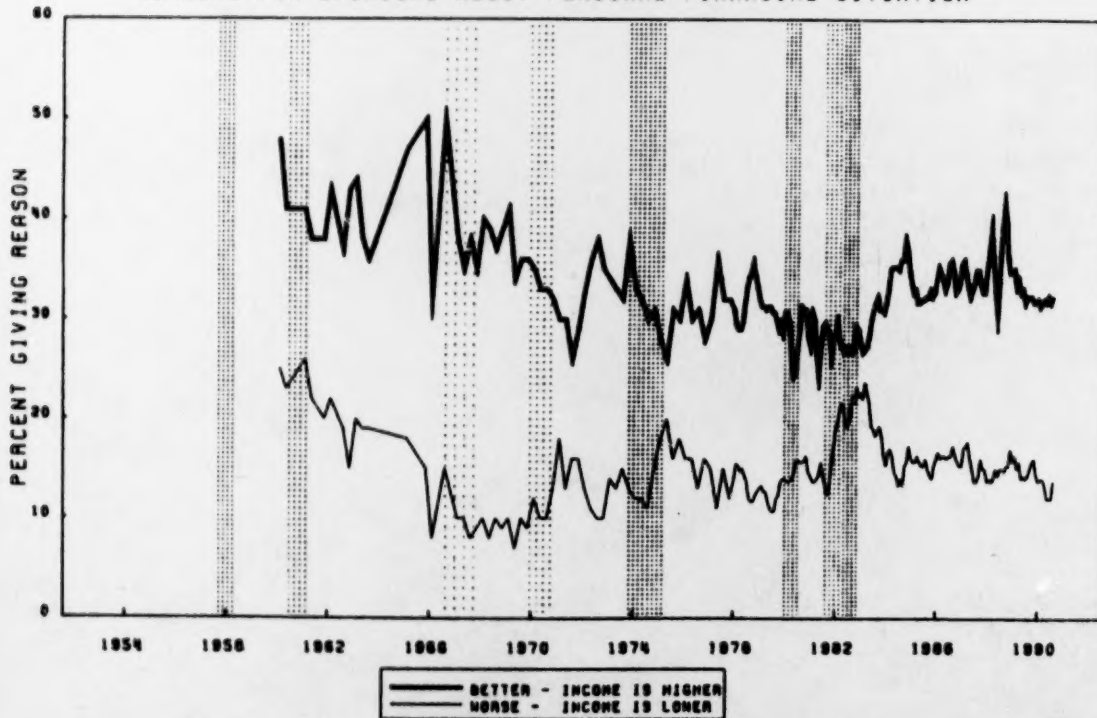


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990	Aug. 1990
BETTER OFF THAN YEAR AGO:													
Income is higher	34%	31%	32%	32%	31%	33%	30%	32%	34%	29%	34%	32%	31%
WORSE OFF THAN YEAR AGO:													
Income is lower	14	16	17	15	11	15	16	11	13	12	11	13	17
Higher prices	16	13	11	13	16	16	17	15	13	11	15	12	18

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

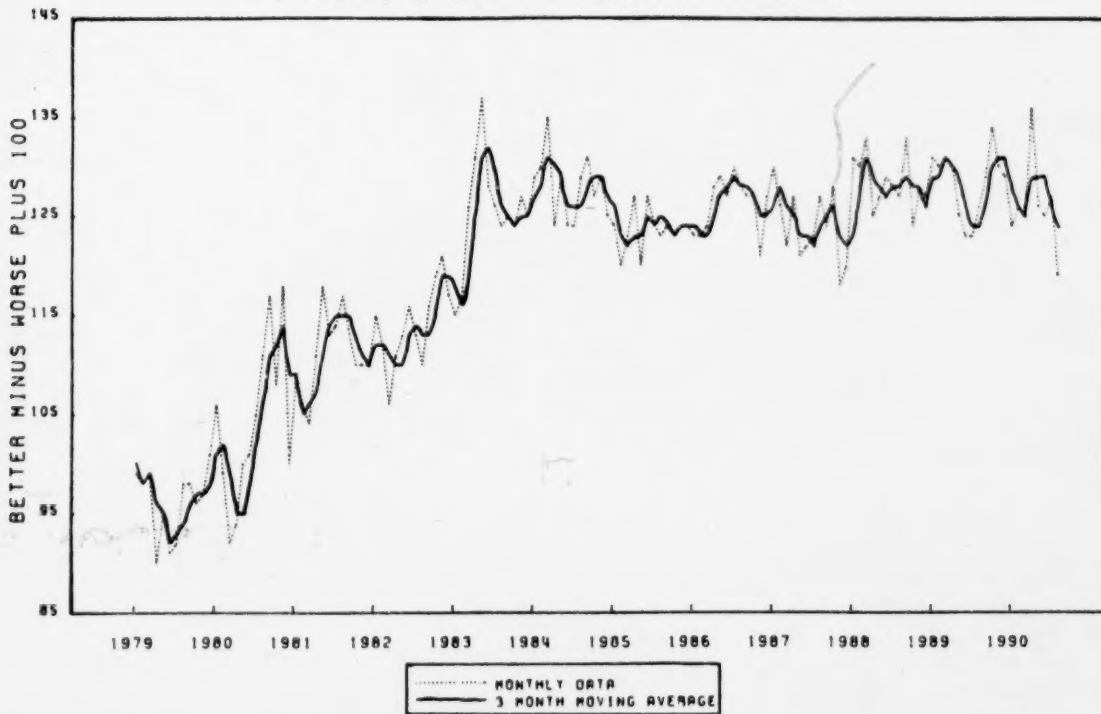


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

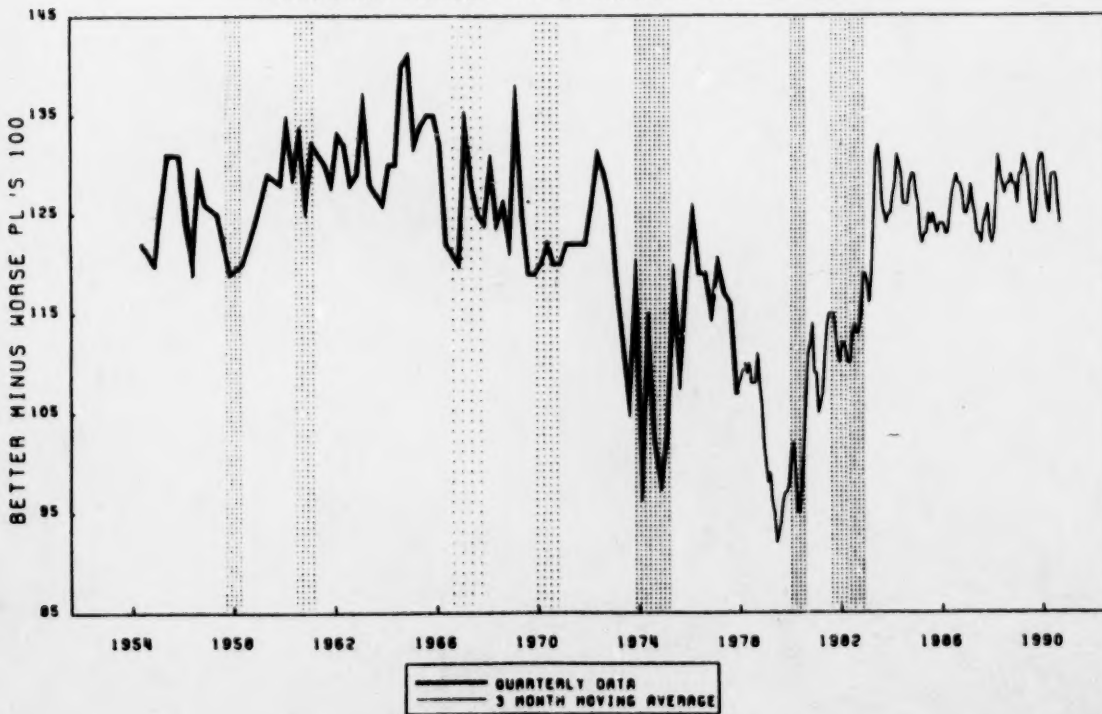


TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990	Aug. 1990
BETTER OFF	37%	38%	41%	40%	37%	35%	35%	37%	45%	38%	36%	37%	32%
SAME	49	49	47	48	50	51	53	49	44	48	50	51	52
WORSE OFF	11	9	7	10	8	11	9	12	9	12	11	10	13
DK,NA	3	4	5	2	5	3	3	2	2	2	3	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	502	506	500	502	500	500	511	503	504	504	500	500	500

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

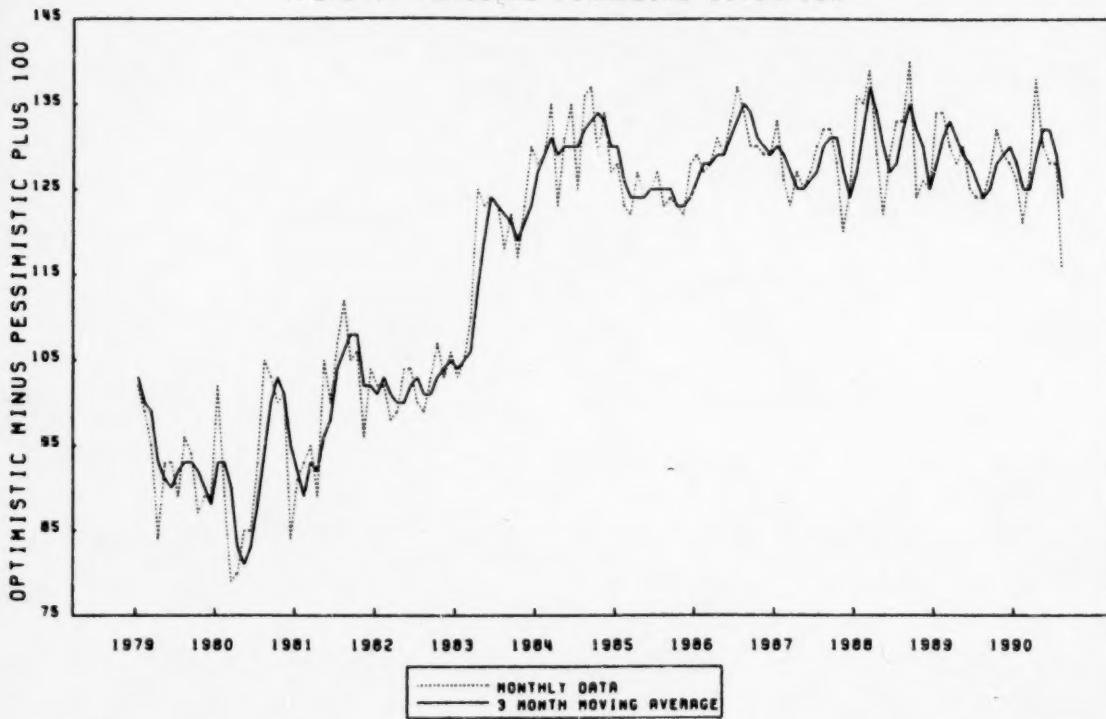


CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

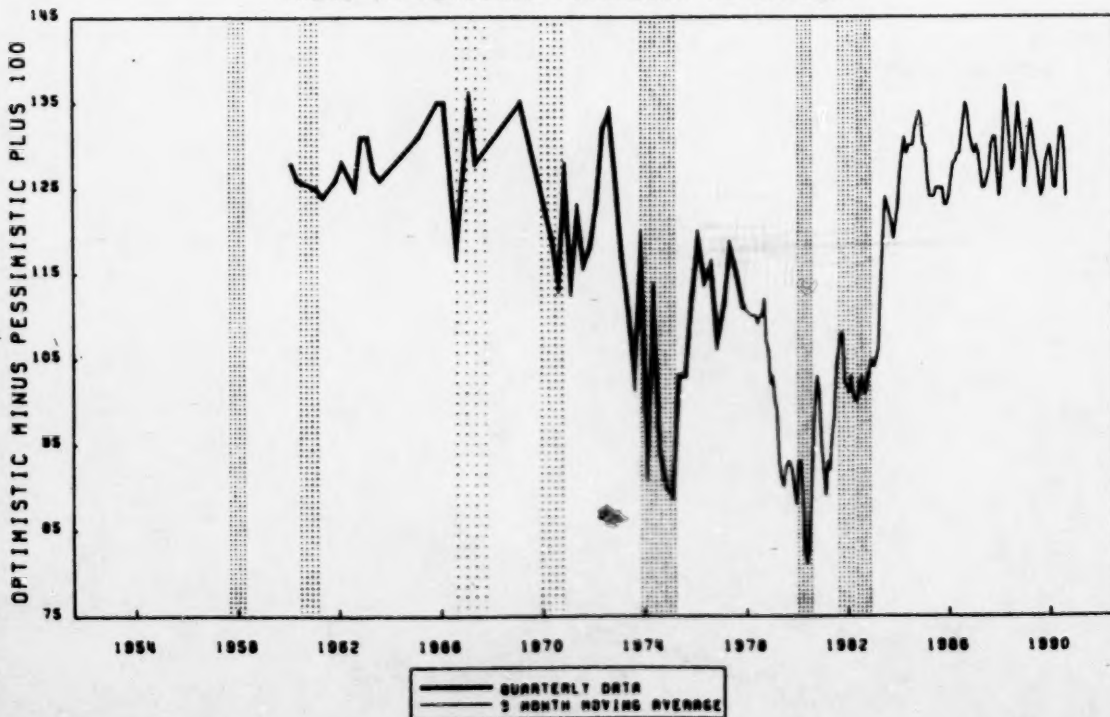


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990	Aug. 1990
PERSONAL FINANCIAL PROGRESS:													
Continuous increase(a)	20%	24%	22%	21%	19%	20%	17%	20%	24%	22%	19%	21%	14%
Intermittent increase(b)	25	24	27	26	28	28	26	28	29	26	29	26	28
Remain unchanged (c)	20	19	17	20	18	17	21	17	16	21	18	20	18
Intermittent decline(d)	16	17	12	14	16	16	17	15	11	11	16	13	20
Continuous decline (e)	5	4	5	4	3	6	5	6	4	7	4	6	6
Mixed change (f)	10	8	11	13	11	9	10	10	13	11	11	12	11
DK,NA	4	4	6	2	5	4	4	4	3	2	3	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	502	506	500	502	500	500	511	503	504	504	500	500	500

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
 (b) Better/Same or Same/Better
 (c) Same/Same
 (d) Worse/Same or Same/Worse
 (e) Worse/Worse
 (f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
 MEDIAN EXPECTED CHANGE IN FAMILY INCOME

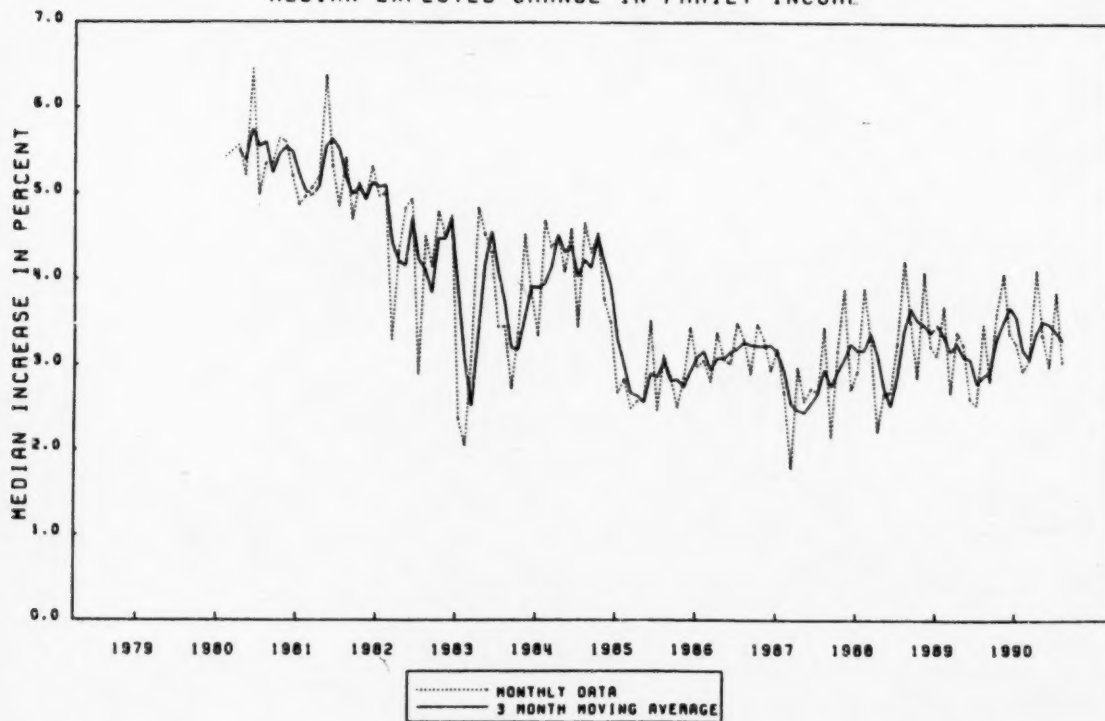


CHART 8 - HISTORICAL SERIES
 MEDIAN EXPECTED CHANGE IN FAMILY INCOME

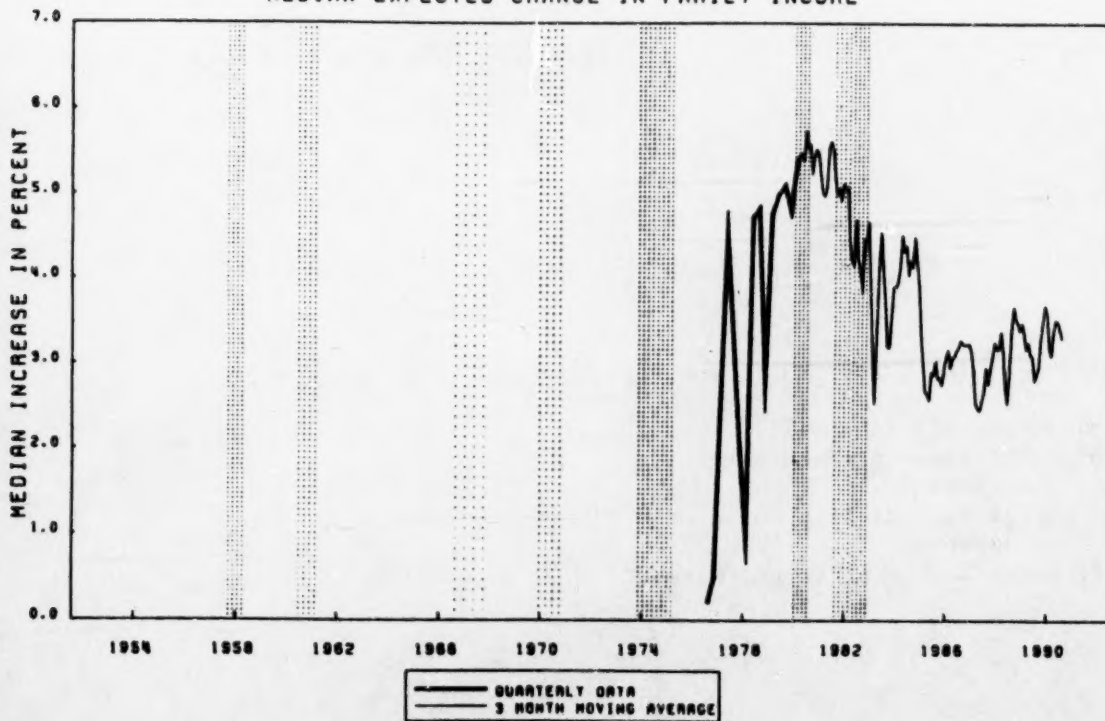


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990	Aug. 1990
EXPECT INCREASE:													
1-4%	15%	16%	15%	23%	16%	18%	17%	15%	15%	16%	17%	16%	17%
5%	13	10	12	13	12	13	12	9	13	9	10	14	9
6-9%	8	7	7	7	8	7	6	9	7	8	9	8	10
10-24%	17	15	14	16	13	14	15	16	18	18	12	15	17
25% or more	6	5	9	7	7	5	5	4	8	7	9	8	6
DK how much up	3	5	4	6	5	5	3	5	4	5	3	3	2
EXPECT SAME	26	25	25	19	26	25	30	28	27	27	25	25	25
EXPECT DOWN	12	15	12	9	12	11	11	13	7	9	15	9	13
DK, NA	*	2	2	*	1	2	1	1	1	1	*	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	502	506	500	502	500	500	511	503	504	504	500	500	500

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

* : Less than half of one percent.

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

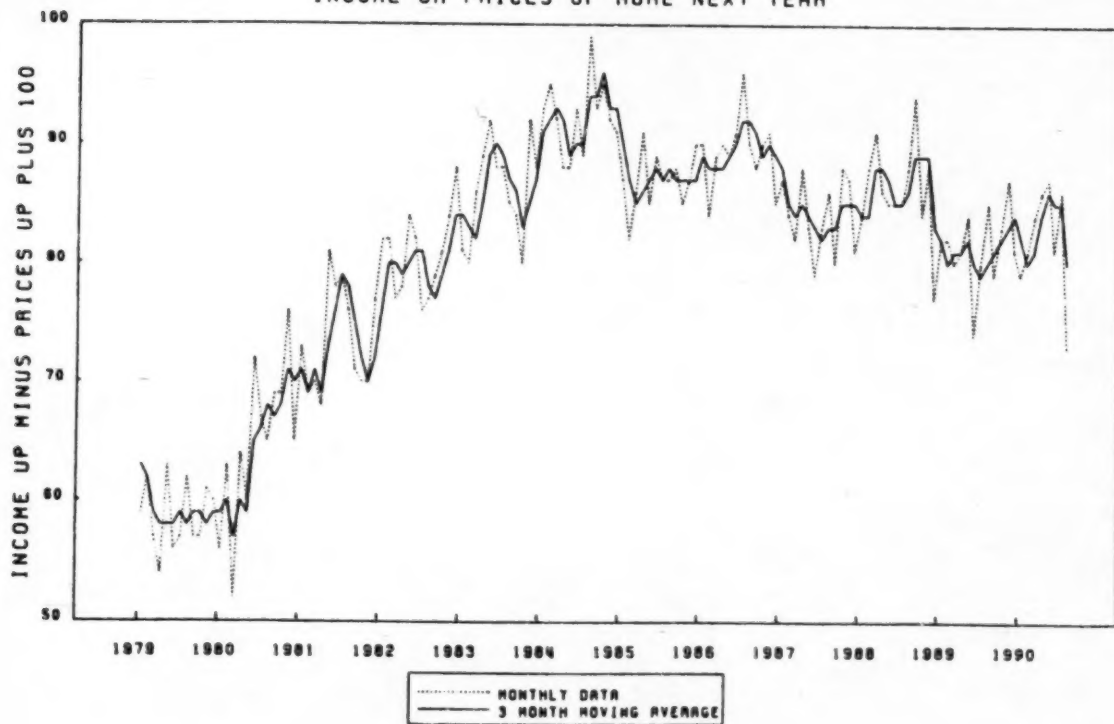


CHART 9 - HISTORICAL SERIES
INCOME OR PRICES UP MORE NEXT YEAR

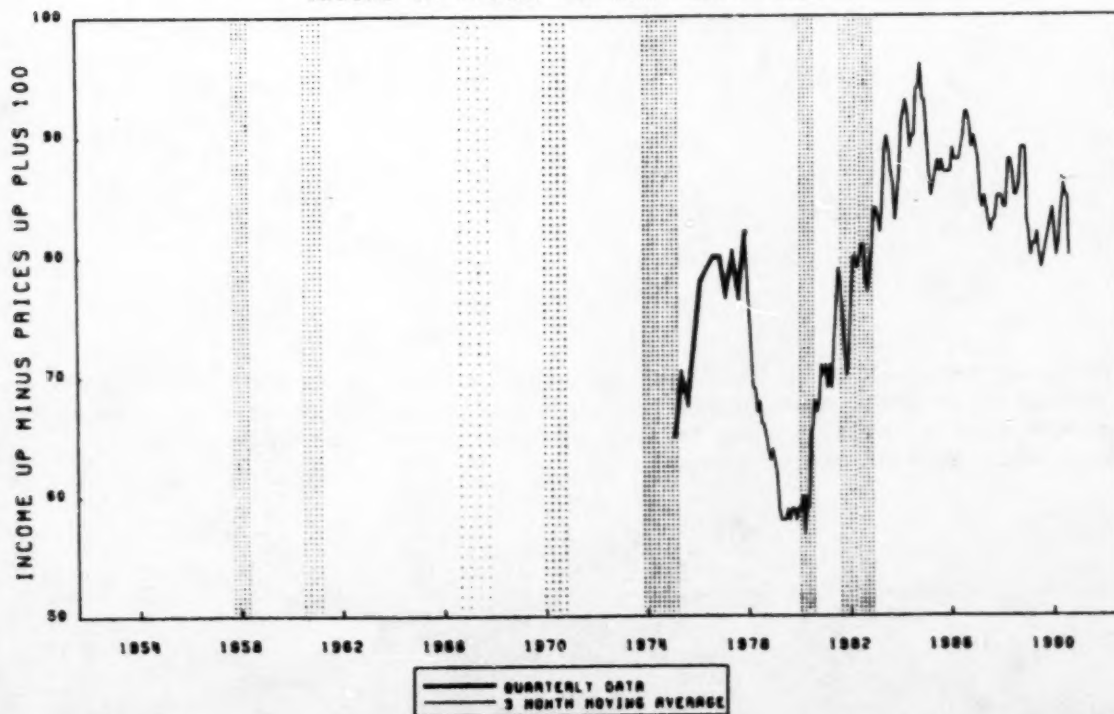


TABLE 9

EXPECTED CHANGE IN REAL FAMILY INCOME

	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990	Aug. 1990
INCOME UP MORE	21%	19%	20%	22%	21%	17%	17%	20%	21%	19%	18%	21%	18%
INCOME UP SAME	39	39	41	42	36	42	44	42	42	48	44	42	37
PRICES UP MORE	36	40	37	35	40	38	36	36	35	32	37	35	45
DK,NA	4	2	2	1	3	3	3	2	2	1	1	2	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	502	506	500	502	500	500	511	503	504	504	500	500	500

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

* : Less than half of one percent.

CHART 10 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

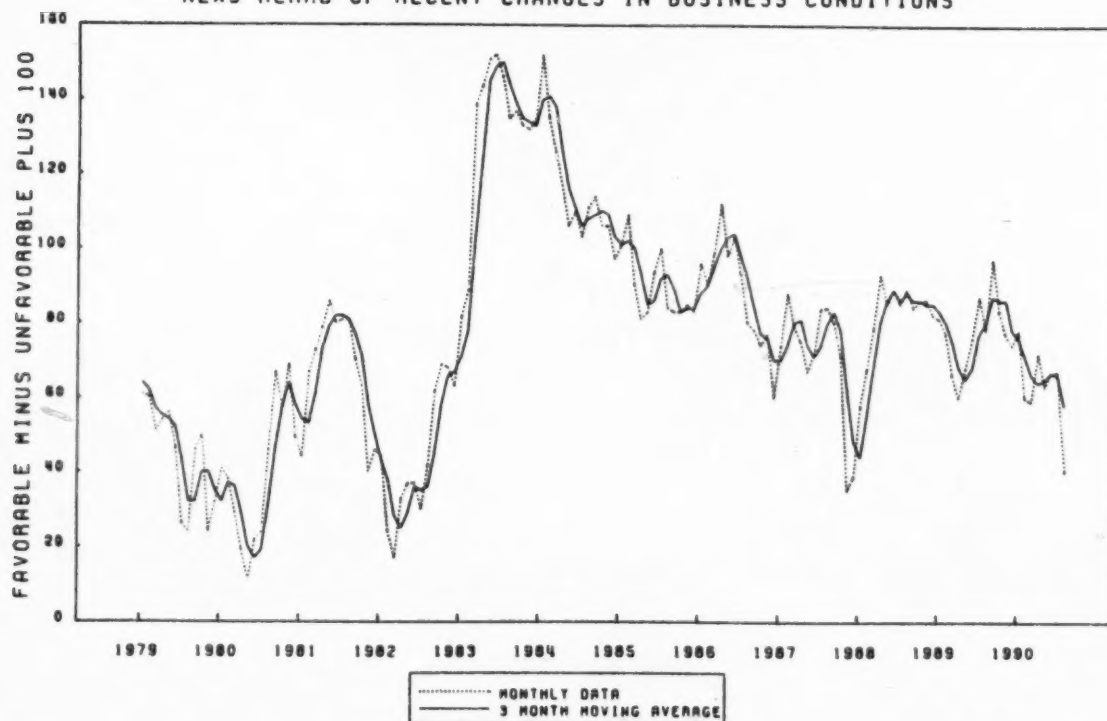


CHART 10 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

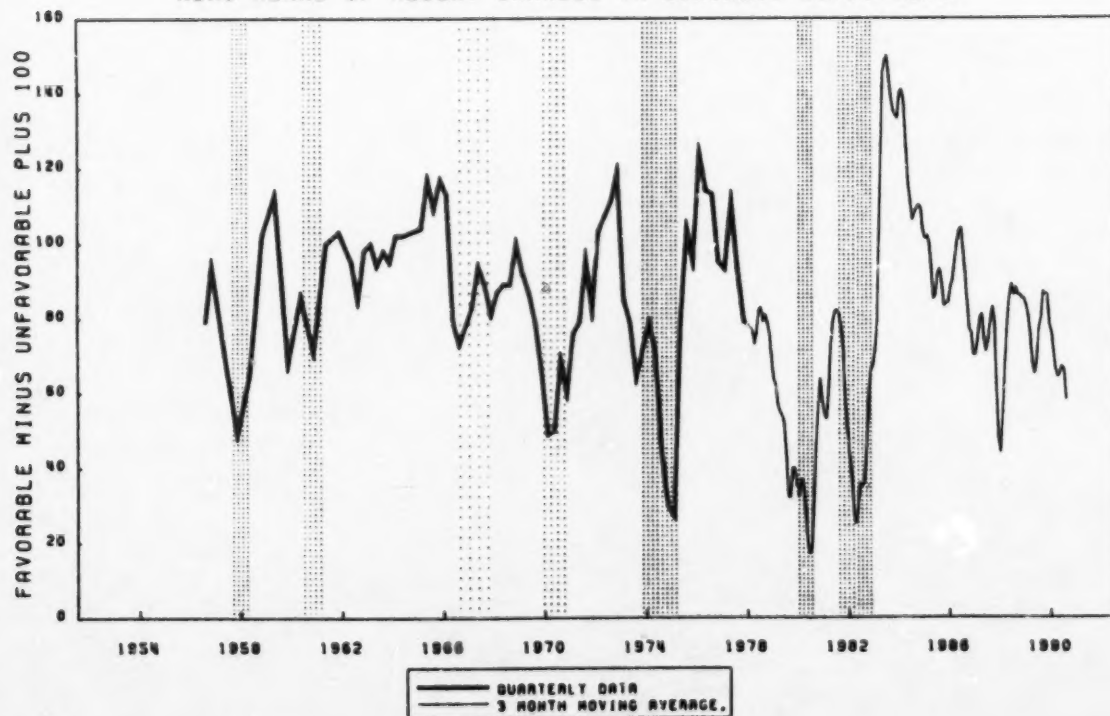


TABLE 10

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990	Aug. 1990
FAVORABLE NEWS	23%	29%	24%	22%	24%	26%	20%	21%	23%	18%	22%	18%	16%
UNFAVORABLE NEWS	45	32	41	45	50	48	60	62	51	55	55	51	76
NO MENTIONS	53	56	52	52	50	49	44	43	49	50	48	54	39

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 11A - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

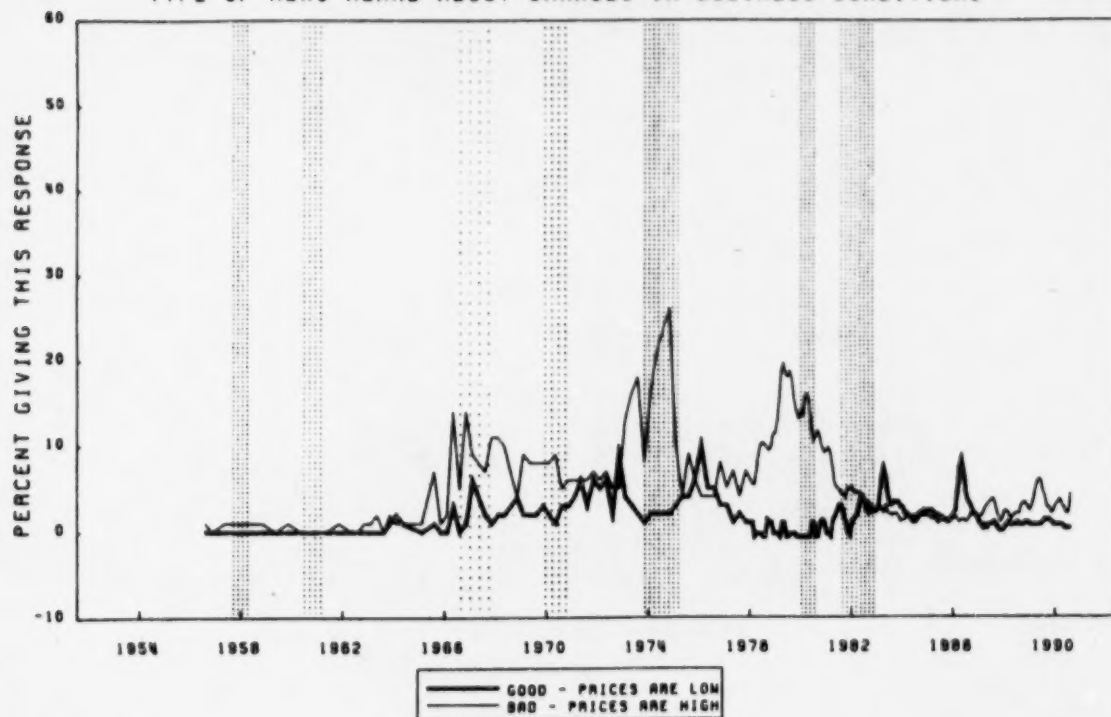


CHART 11B - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

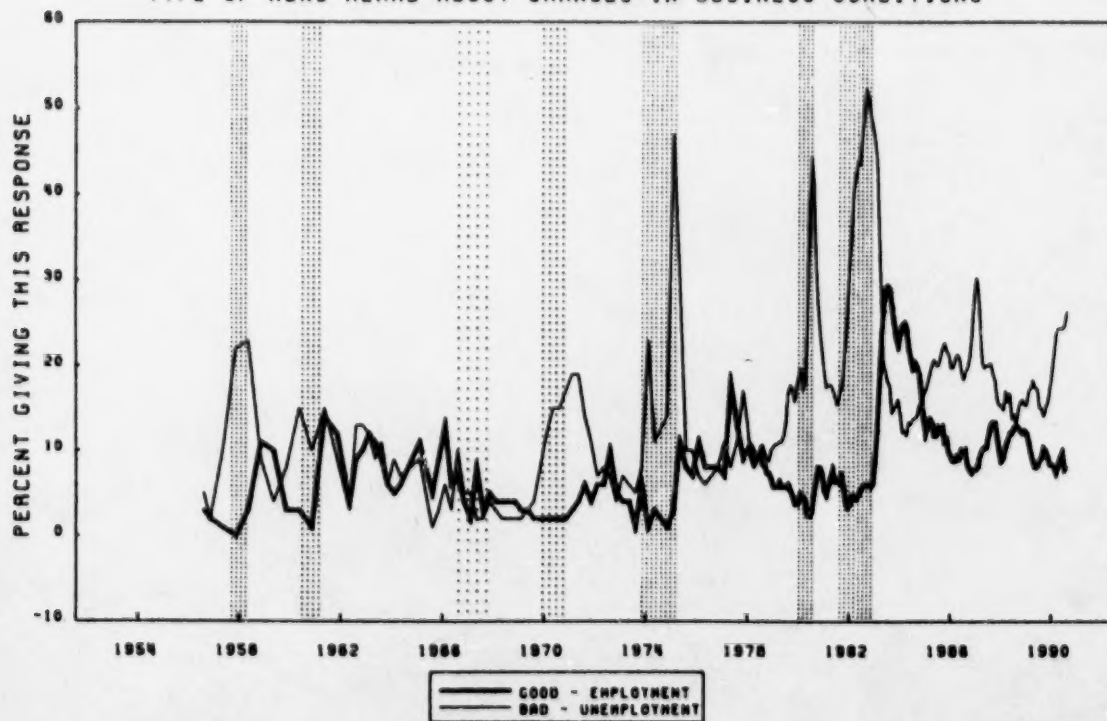


TABLE 11

SELECTED ITEMS OF
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990	Aug. 1990
FAVORABLE NEWS:													
Government; elections	2%	2%	1%	1%	3%	1%	2%	3%	1%	1%	2%	2%	1%
Employment	9	12	9	7	9	9	6	7	12	8	9	6	9
Higher consumer demand	1	1	1	2	2	1	1	2	2	1	1	*	1
Lower prices	2	1	1	1	*	1	1	*	1	*	*	1	*
Easier credit	5	4	3	3	1	6	3	1	1	2	2	2	2
Stock market	1	3	2	2	2	2	1	1	1	1	2	2	*
Trade deficit	1	1	1	1	3	2	2	2	2	1	1	1	*
UNFAVORABLE NEWS:													
Government; elections	3	4	2	3	5	3	6	6	3	8	6	9	13
Unemployment	15	14	16	17	19	21	24	27	22	24	27	23	29
Lower consumer demand	3	2	2	5	6	5	6	6	6	3	6	3	5
Higher prices	4	2	2	2	3	4	3	4	2	2	2	2	9
Tighter credit	2	1	1	1	2	1	3	3	2	3	2	2	2
Stock market	1	1	7	6	2	2	6	4	3	3	1	1	3
Trade deficit	3	2	2	2	5	2	3	4	5	2	3	2	1

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 12 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

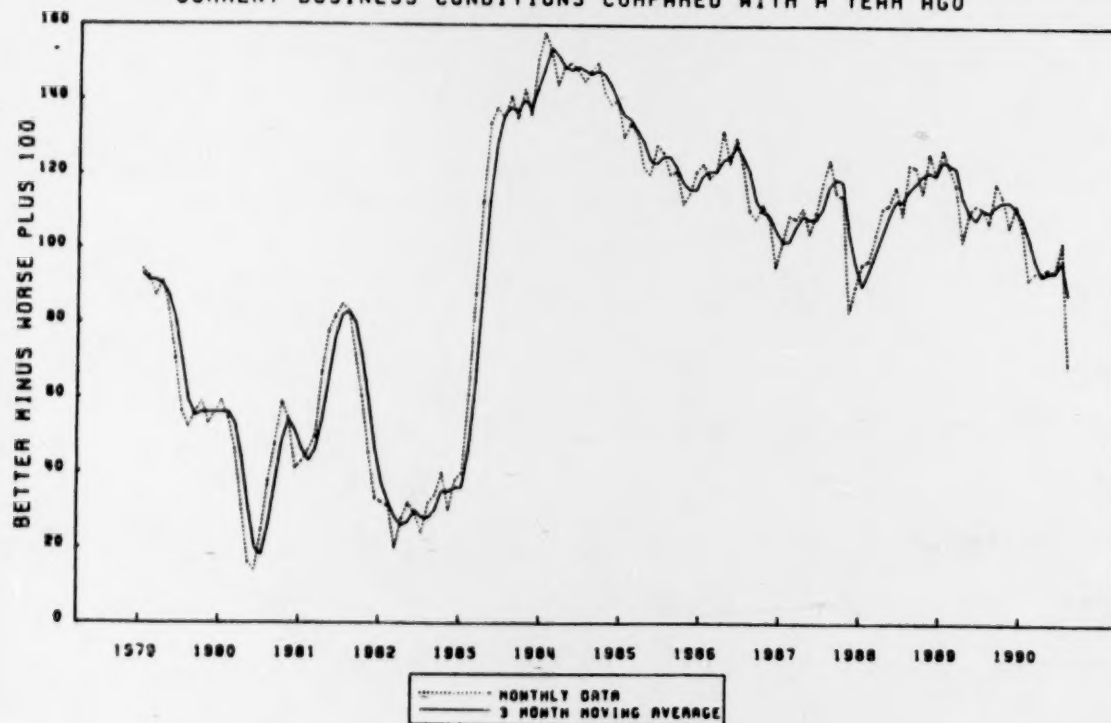


CHART 12 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

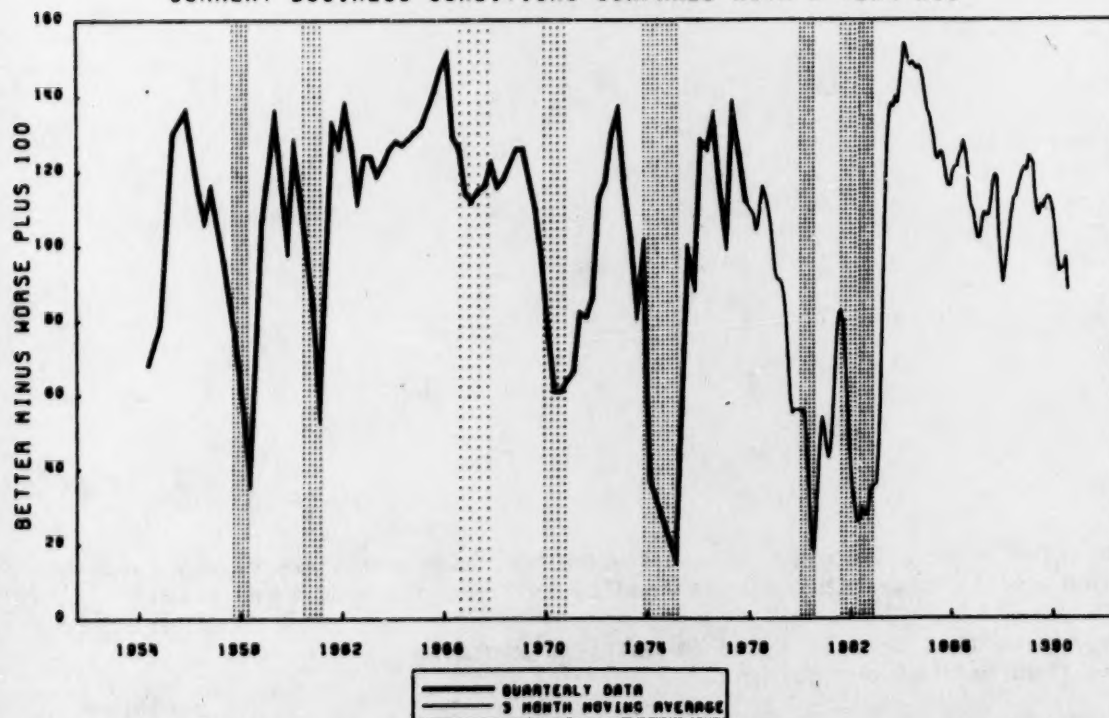


TABLE 12

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990	Aug. 1990
BETTER NOW	42%	48%	47%	42%	45%	43%	36%	36%	38%	36%	37%	41%	26%
SAME	21	19	19	19	19	16	17	20	17	19	18	19	15
WORSE NOW	35	30	33	36	33	38	44	42	44	41	43	39	57
DK, NA	2	3	1	3	3	3	3	2	1	4	2	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	502	506	500	502	500	500	511	503	504	504	500	500	500

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 13 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

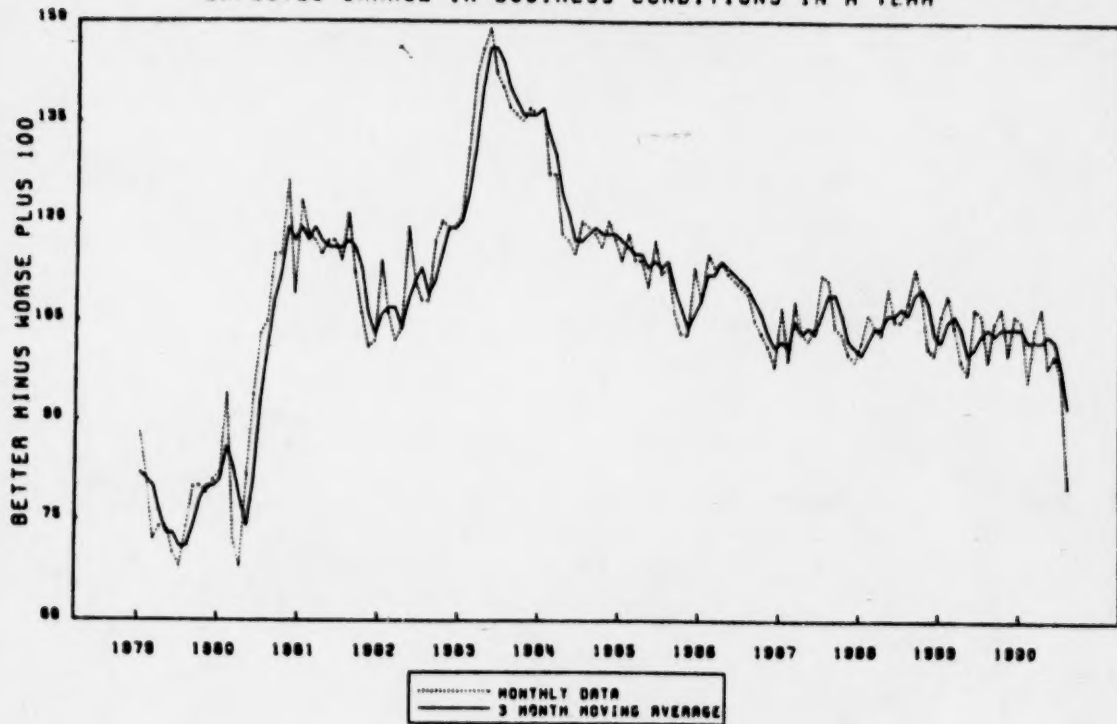


CHART 13 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

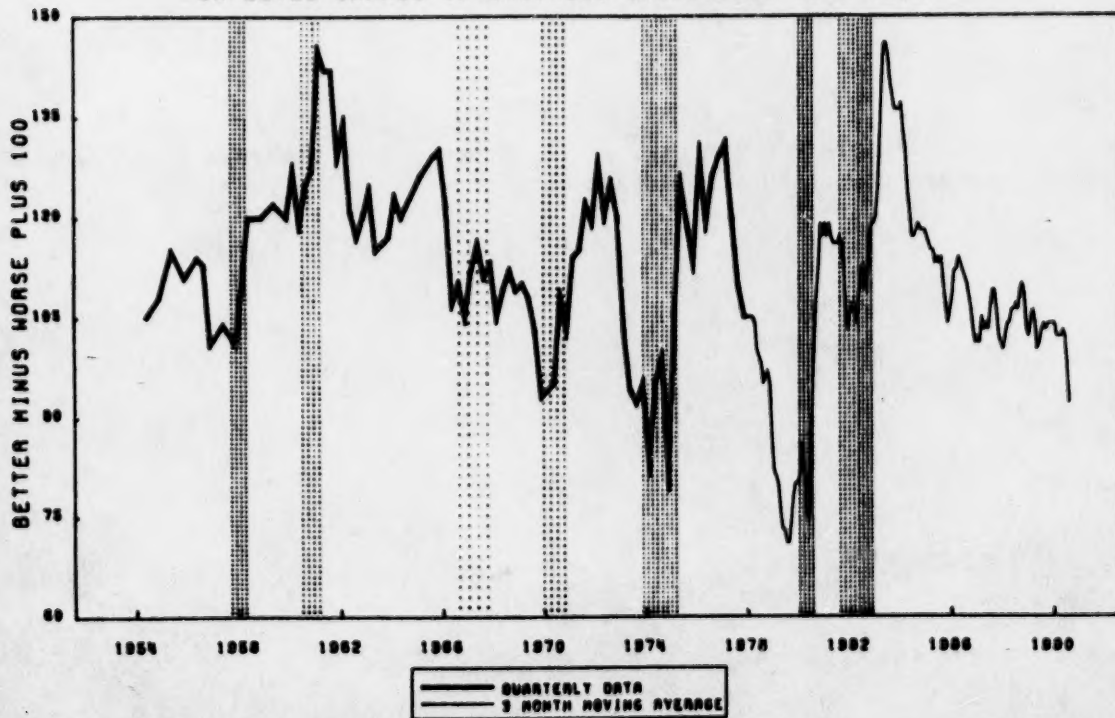


TABLE 13

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990	Aug. 1990
BETTER	18%	21%	22%	18%	24%	22%	19%	22%	24%	18%	20%	16%	13%
SAME	60	59	61	61	55	59	56	58	58	59	58	63	52
WORSE	19	16	15	18	18	17	23	18	17	20	20	20	33
DK,NA	3	4	2	3	3	2	2	2	1	3	2	1	- 2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	502	506	500	502	500	500	511	503	504	504	500	500	500

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

CHART 14 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

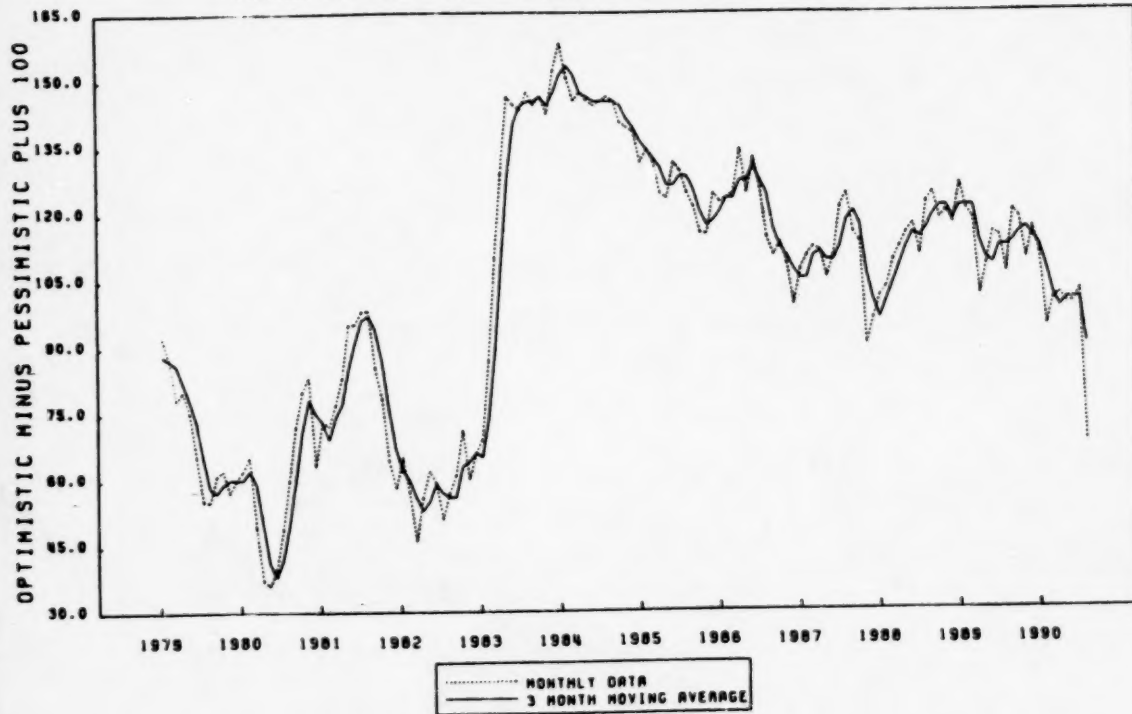


CHART 14 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

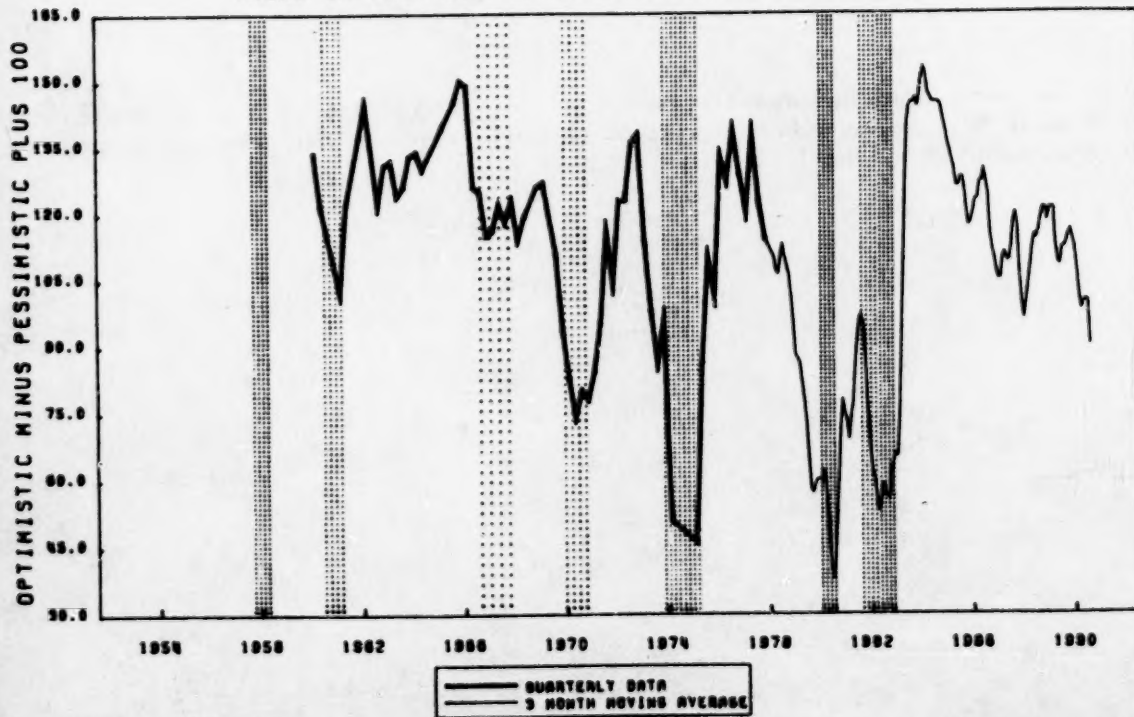


TABLE 14

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990	Aug. 1990
TREND:													
Continuous increase (a)	11%	14%	15%	10%	15%	14%	11%	10%	13%	8%	11%	8%	5%
Intermittent increase(b)	29	34	33	32	29	29	25	27	25	28	27	31	17
Remain unchanged (c)	14	12	13	13	13	12	10	12	12	12	11	12	9
Intermittent decline(d)	22	18	19	21	16	20	26	26	25	23	25	25	30
Continuous decline (e)	12	10	11	12	12	13	16	11	12	14	14	12	24
Mixed change (f)	7	6	5	6	10	8	8	10	11	9	9	9	11
DK,NA	5	6	4	6	5	4	4	4	2	6	3	3	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	502	506	500	502	500	500	511	503	504	504	500	500	500

Combination of the responses to the questions on Tables 12 and 13.

Key: (a) Better than a year ago/Better a year from now
 (b) Better/Same or Same/Better
 (c) Same/Same
 (d) Worse/Same or Same/Worse
 (e) Worse/Worse
 (f) Worse/Better or Better/Worse

CHART 15 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

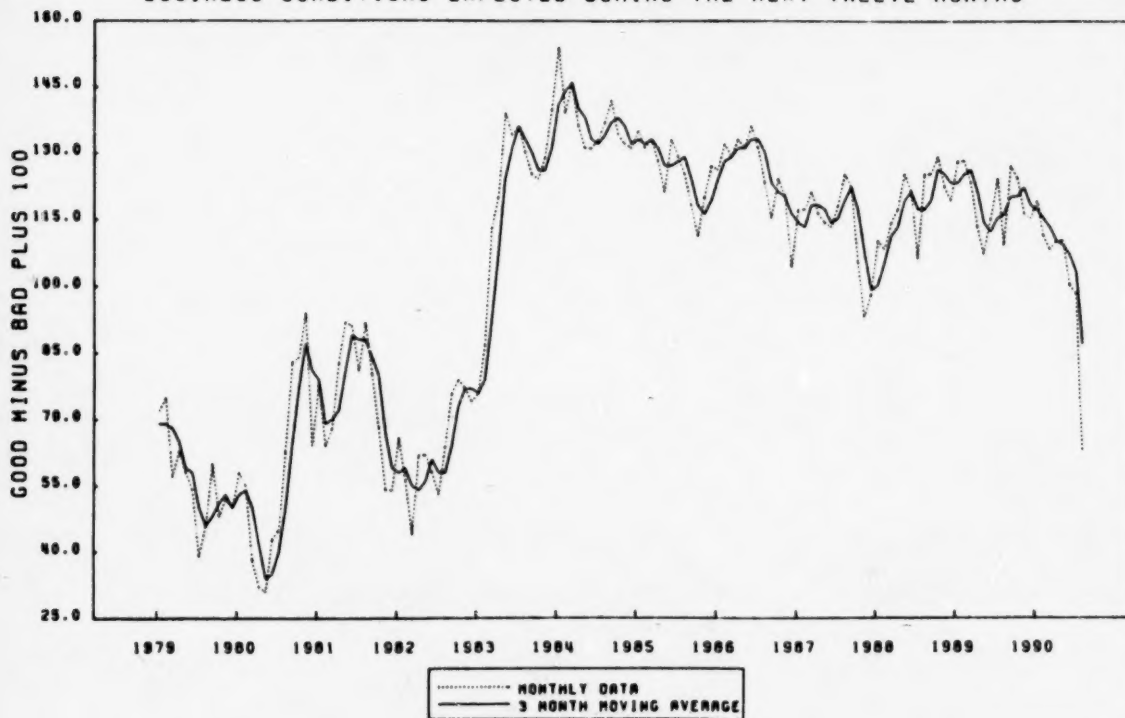


CHART 15 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

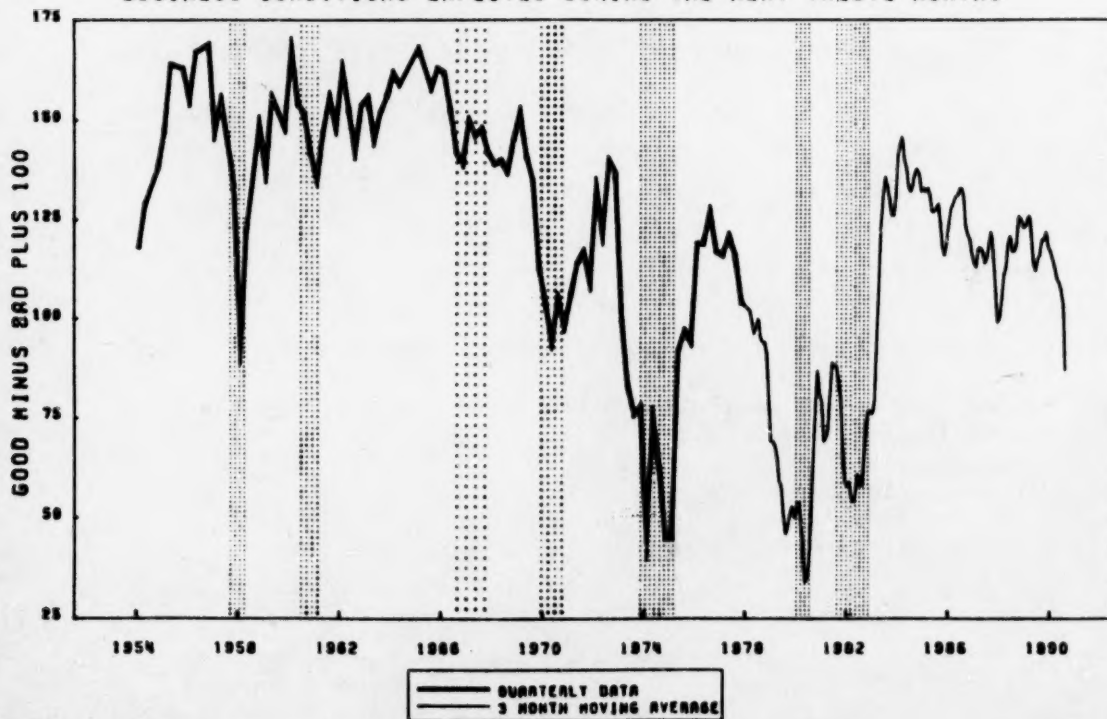


TABLE 15

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990	Aug. 1990
GOOD TIMES	46%	55%	53%	50%	49%	52%	46%	48%	49%	47%	43%	40%	25%
UNCERTAIN; GOOD & BAD	6	4	5	4	2	3	6	3	4	4	3	6	2
BAD TIMES	37	28	29	34	34	33	35	40	39	37	43	42	63
DON'T KNOW	4	6	8	7	7	6	7	5	4	6	5	7	5
NOT ASCERTAINED	7	7	5	5	8	6	6	4	4	6	6	5	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	502	506	500	502	500	500	511	503	504	504	500	500	500

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 16 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS



CHART 16 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

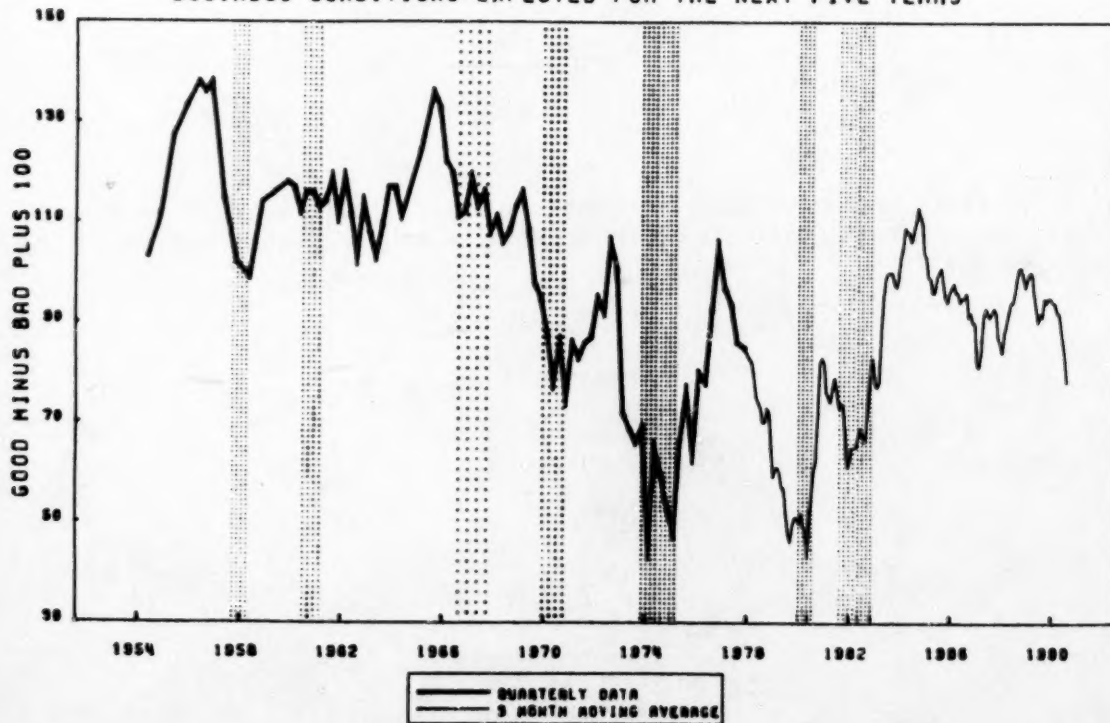


TABLE 16

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990	Aug. 1990
GOOD TIMES	33%	41%	36%	38%	39%	37%	36%	40%	39%	32%	31%	34%	24%
UNCERTAIN; GOOD & BAD	13	13	14	13	15	12	11	10	11	12	12	11	14
BAD TIMES	45	40	43	46	40	45	46	47	47	49	48	50	56
NOT ASCERTAINED	9	6	7	3	6	6	7	3	3	7	9	5	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	502	506	500	502	500	500	511	503	504	504	500	500	500

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 17 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

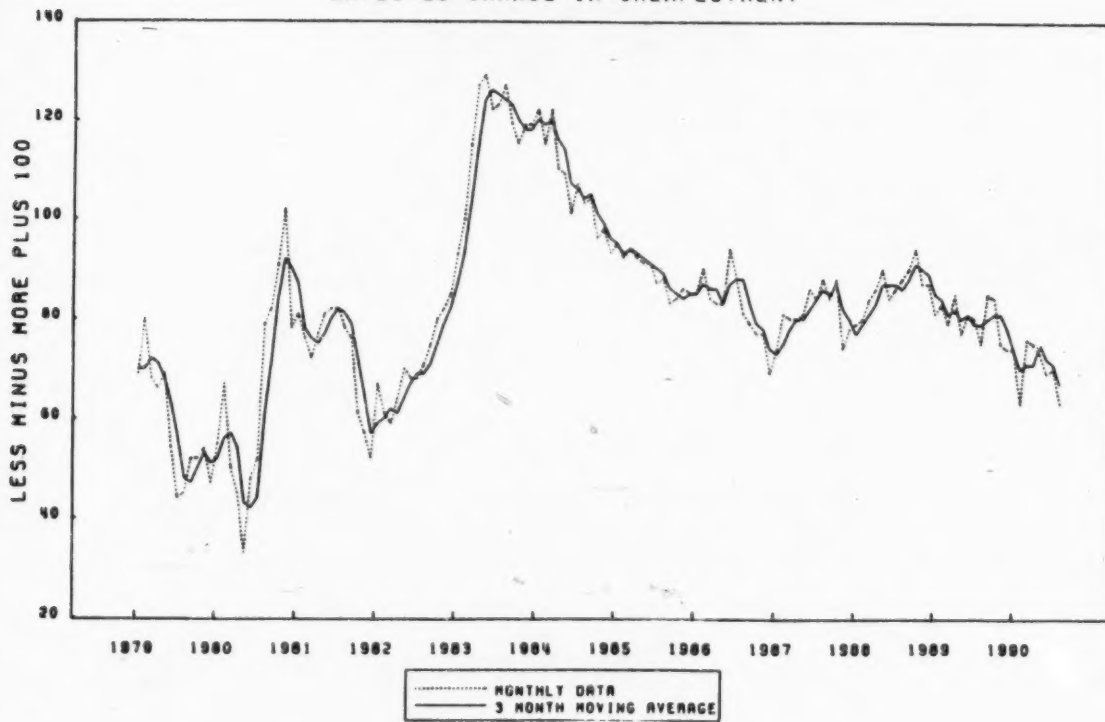


CHART 17 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

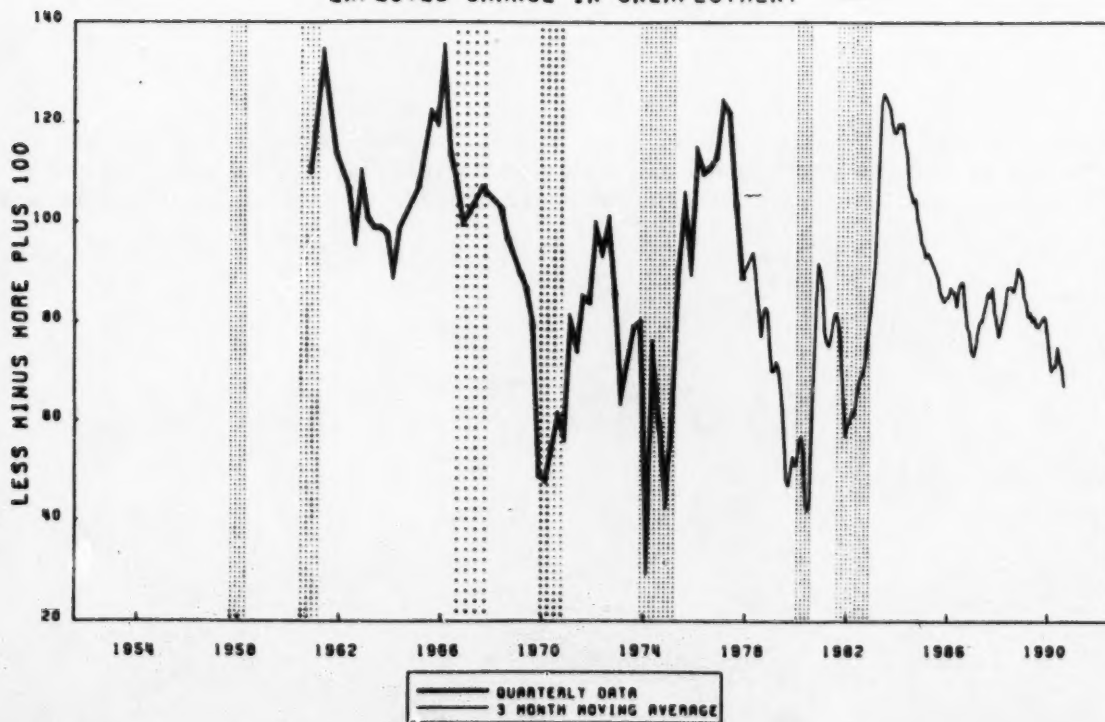


TABLE 17

EXPECTED CHANGE IN UNEMPLOYMENT

	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990	Aug. 1990
LESS	10%	11%	14%	10%	11%	10%	7%	10%	11%	10%	8%	7%	9%
SAME	54	61	55	54	51	52	48	55	52	52	52	54	44
MORE	35	26	30	35	37	36	44	34	36	37	39	37	46
DK,NA	1	2	1	1	1	2	1	1	1	1	1	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	502	506	500	502	500	500	511	503	504	504	500	500	500

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

CHART 18 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

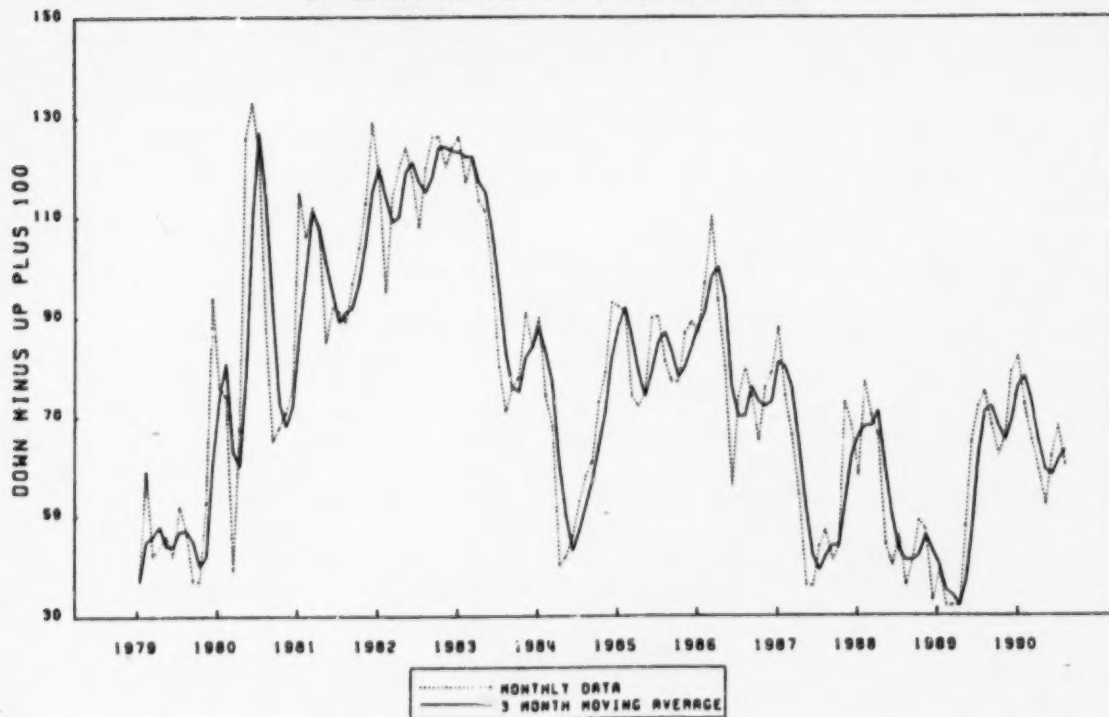


CHART 18 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

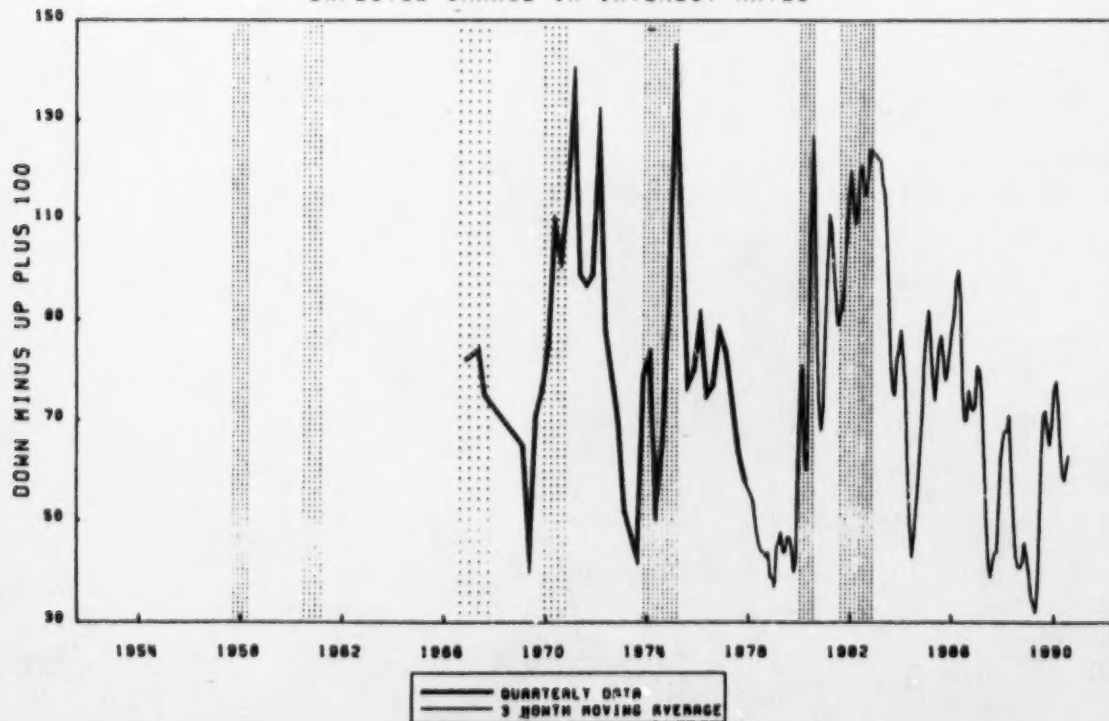


TABLE 18

EXPECTED CHANGE IN INTEREST RATES

	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990	Aug. 1990
GO UP	49%	50%	55%	52%	46%	45%	48%	51%	55%	58%	56%	50%	59%
STAY THE SAME	24	30	26	27	26	26	29	32	29	30	23	29	20
GO DOWN	24	18	17	18	25	27	20	16	14	10	18	18	19
DK, NA	3	2	2	3	3	2	3	1	2	2	3	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	502	506	500	502	500	500	511	503	504	504	500	500	500

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 19 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS



CHART 19 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

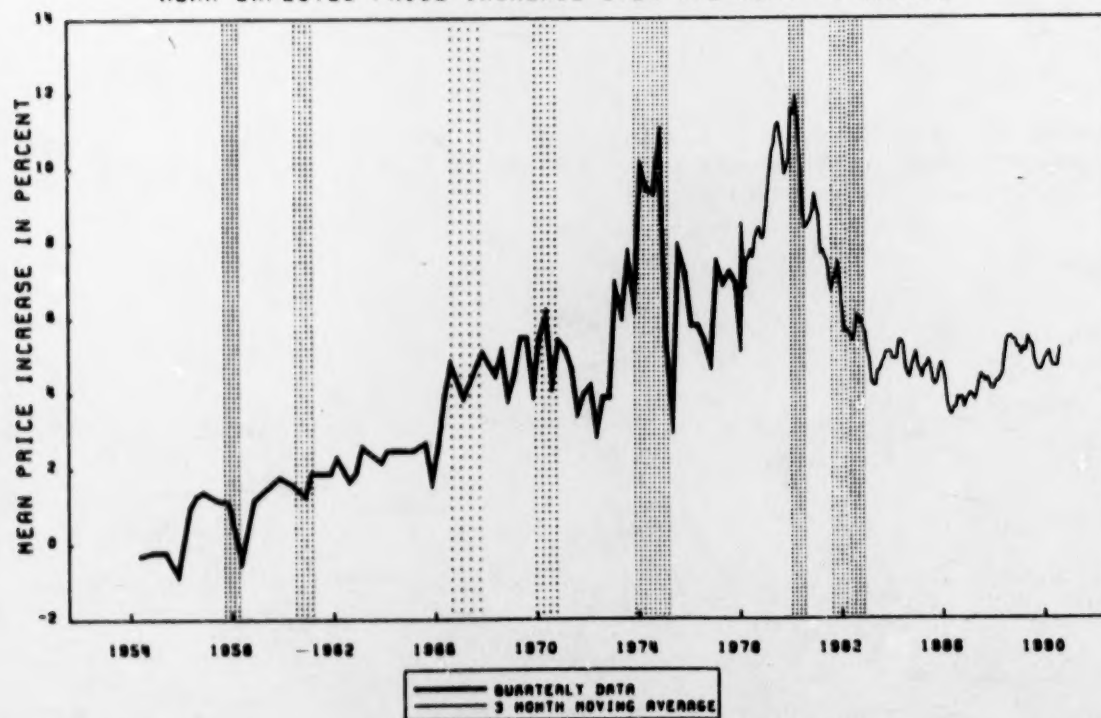


TABLE 19

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990	Aug. 1990
SAME OR DOWN	13%	13%	12%	12%	10%	11%	15%	11%	11%	11%	11%	11%	9%
WILL GO UP BY:													
1-2%	18	21	19	17	21	14	13	18	20	19	18	20	14
3-4%	23	24	23	26	21	24	23	24	24	22	25	24	23
5%	21	21	19	19	23	21	22	20	22	22	24	20	18
6-9%	6	6	9	7	10	8	10	8	7	9	7	6	13
10-14%	9	6	8	8	5	10	8	8	7	8	7	10	11
15% or more	3	3	3	4	5	5	4	5	4	3	4	3	8
DK how much up	6	5	5	6	5	5	5	6	5	6	3	6	4
DK, NA	1	1	2	1	*	2	*	*	*	*	1	*	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	4.7	4.4	4.7	4.7	4.6	5.4	5.1	4.9	4.5	4.6	4.9	4.7	6.1
VARIANCE	42	32	32	31	28	49	45	38	26	30	37	29	48
CASES	502	506	500	502	500	500	511	503	504	504	500	500	500

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 20 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

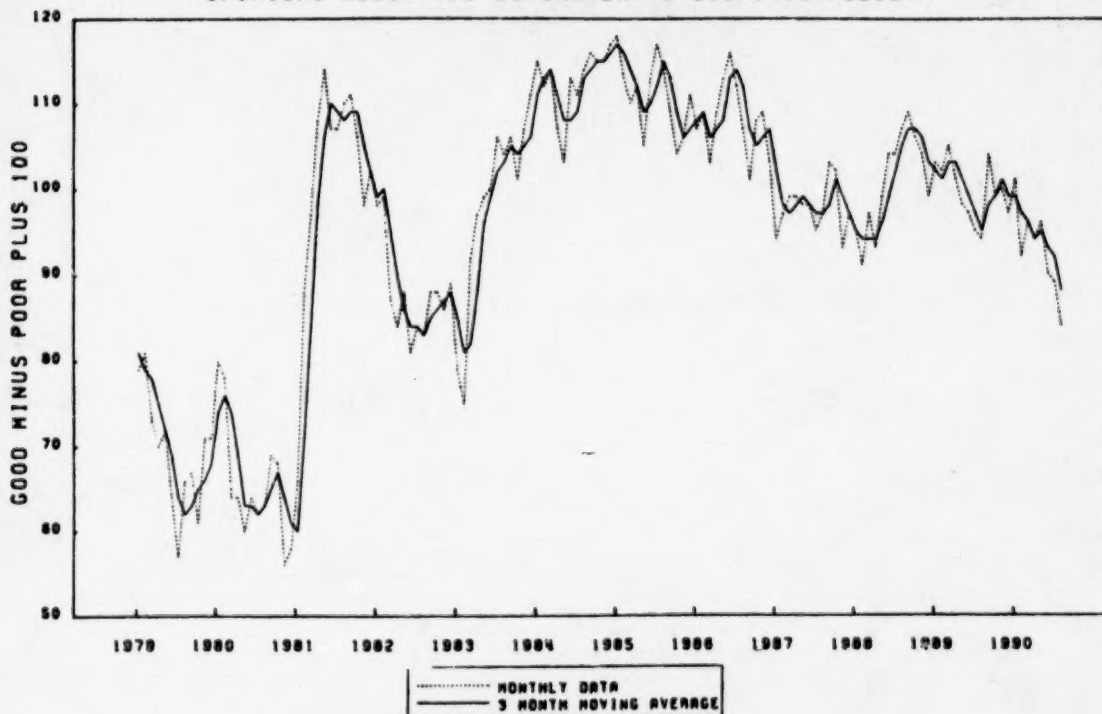


CHART 20 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

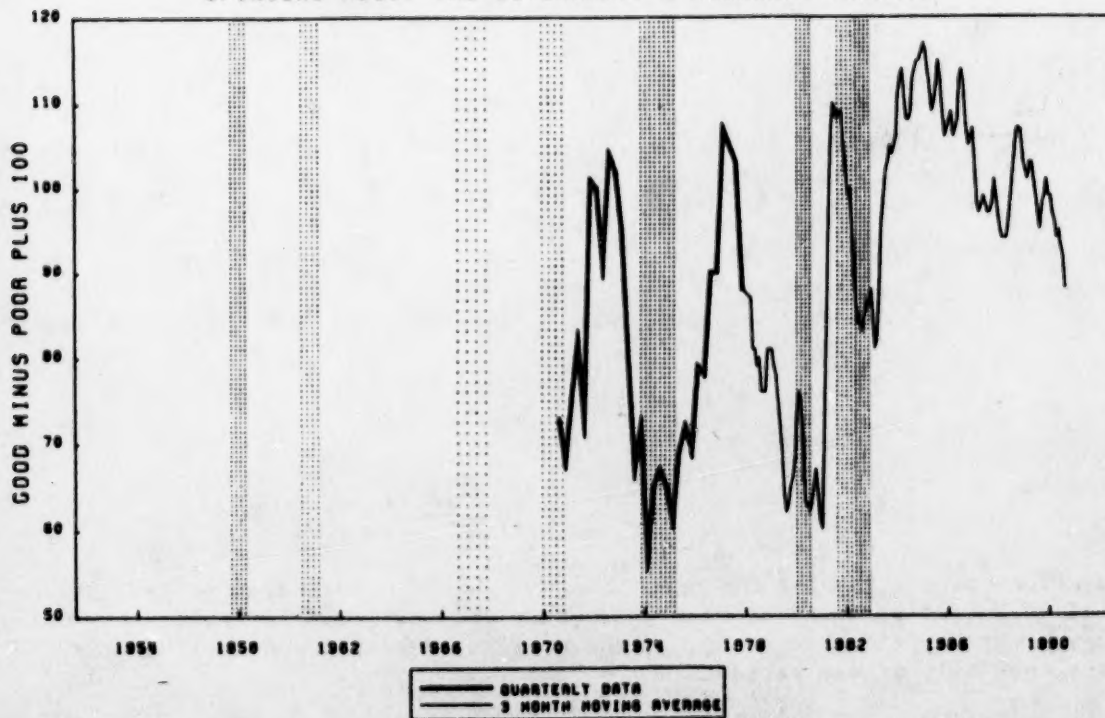


TABLE 20

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990	Aug. 1990
A GOOD JOB	18%	21%	18%	17%	20%	18%	17%	19%	17%	19%	16%	16%	15%
ONLY FAIR	56	60	61	64	55	63	57	56	59	55	56	56	52
A POOR JOB	24	17	19	17	23	17	25	23	23	23	26	27	31
DK,NA	2	2	2	2	2	2	1	2	1	3	2	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	502	506	500	502	500	500	511	503	504	504	500	500	500

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 21 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

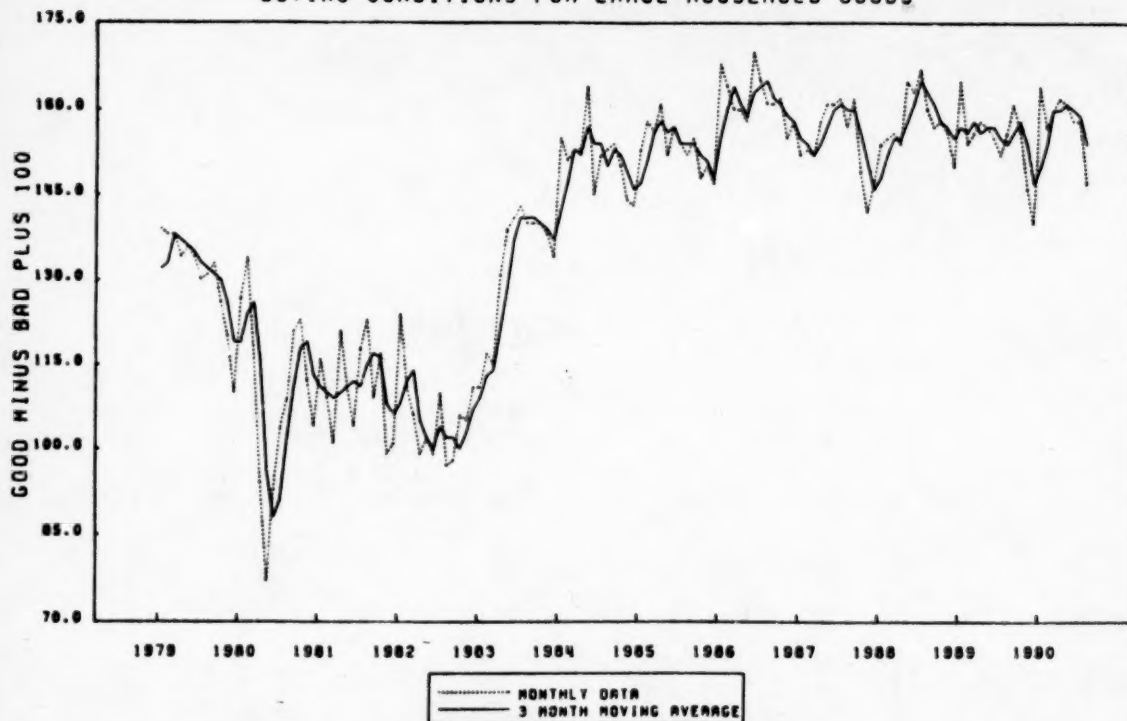


CHART 21 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

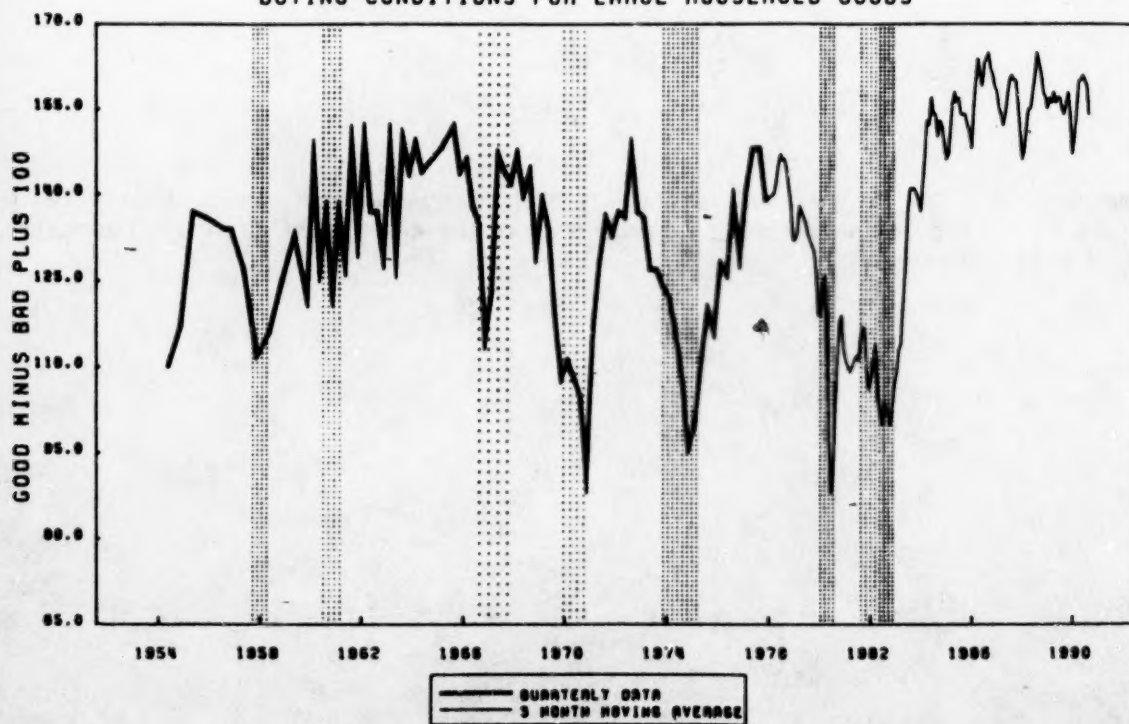


TABLE 21

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990	Aug. 1990
GOOD TIME TO BUY	73%	75%	73%	67%	65%	77%	74%	76%	78%	75%	75%	73%	69%
UNCERTAIN, DEPENDS	10	11	10	12	10	10	9	8	6	11	8	12	9
BAD TIME TO BUY	17	14	17	21	25	13	17	16	16	14	17	15	22
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	502	506	500	502	500	500	511	503	504	504	500	500	500

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 22A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

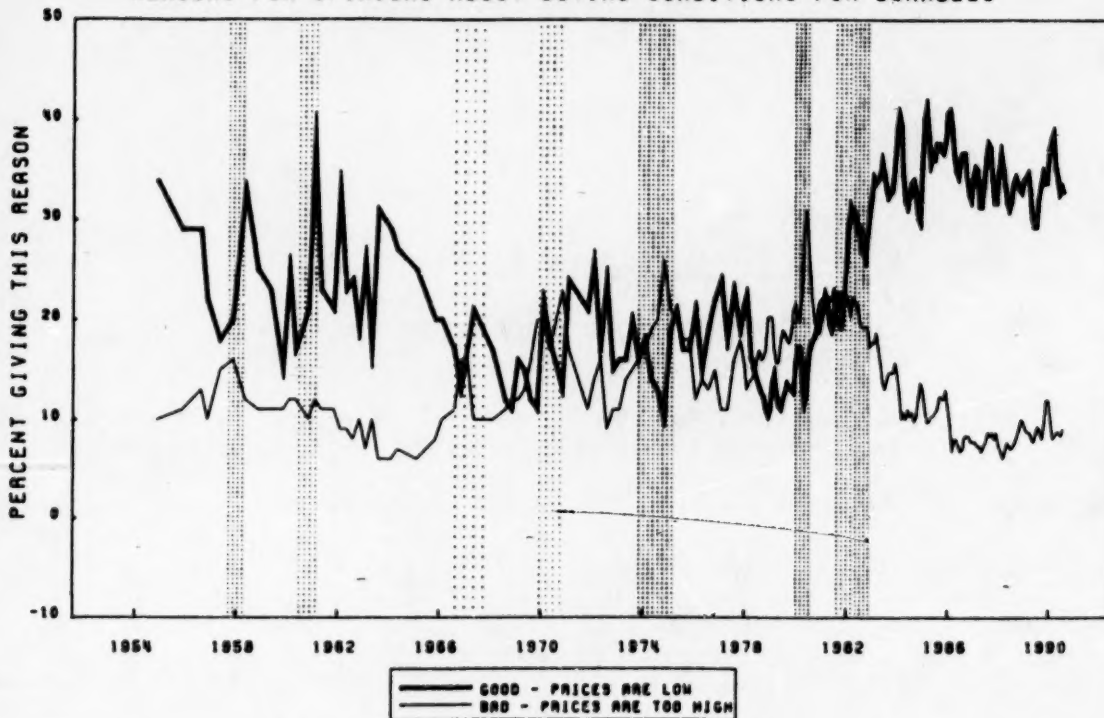


CHART 22B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

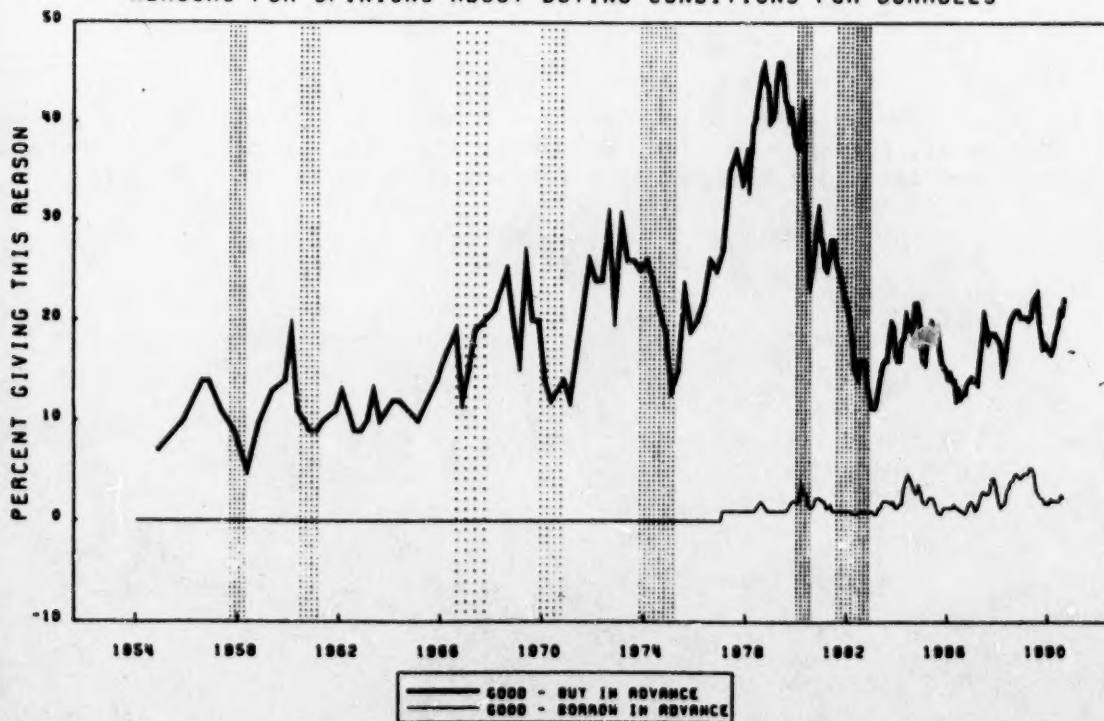


TABLE 22
SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990	Aug. 1990
GOOD TIME TO BUY:													
Prices are low; good buys available	35%	34%	35%	32%	34%	45%	35%	36%	35%	32%	31%	37%	30%
Prices won't come down; are going higher	16	17	19	17	16	18	16	18	22	18	23	21	23
Interest rates are low	7	7	5	7	5	5	5	8	5	5	6	3	5
Borrow-in-advance of rising interest rates	3	2	2	1	3	1	3	2	1	3	2	3	2
Times are good; prosperity	2	8	6	4	3	4	4	8	4	5	4	3	3
BAD TIME TO BUY:													
Prices are high	9	7	8	14	14	8	8	8	9	9	8	8	11
Interest rates are high; credit is tight	4	2	3	3	4	2	3	3	2	5	3	3	2
Times are bad; can't afford to buy	2	4	4	5	5	2	6	5	4	2	5	3	5
Bad times ahead; uncertain future	3	2	2	1	3	2	2	3	1	3	2	3	7

Responses to the query: "Why do you say so?" following the question on Table 21.
+ : May add to more than 100% due to multiple mentions.

CHART 22C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

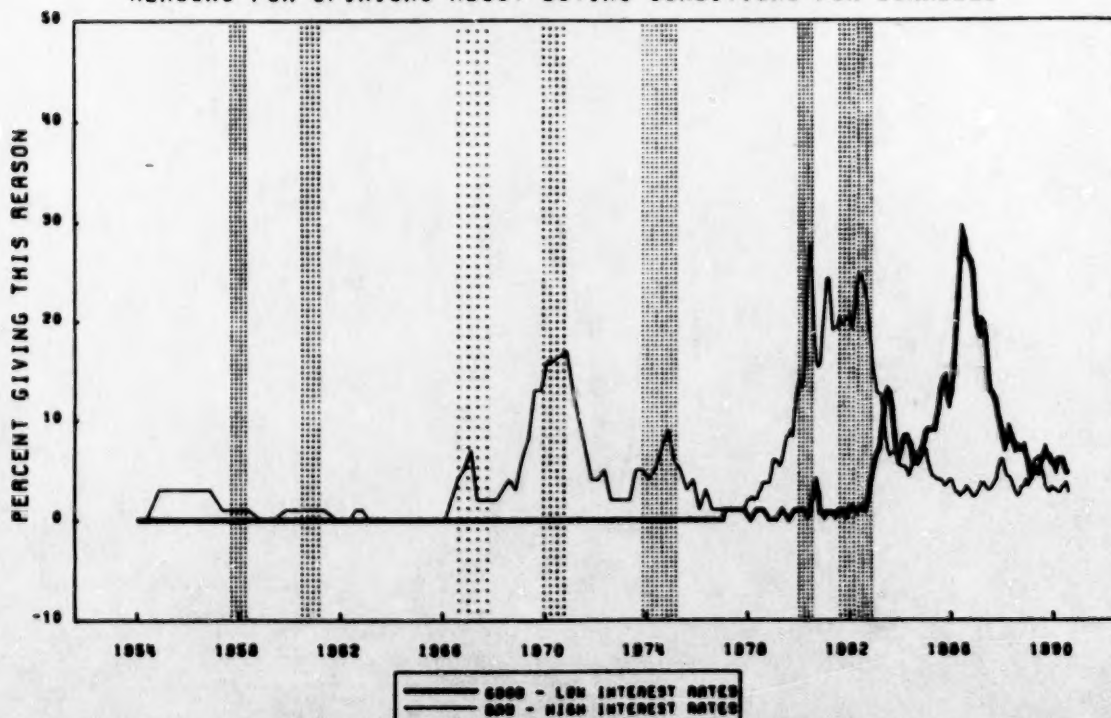


CHART 23 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

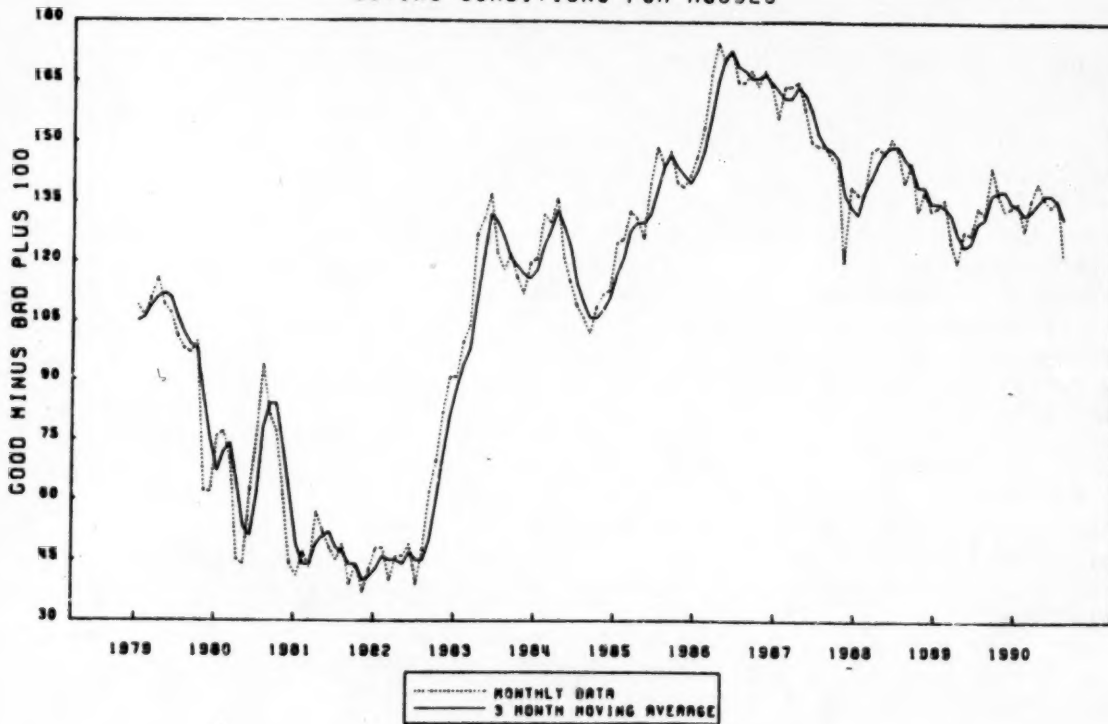


CHART 23 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

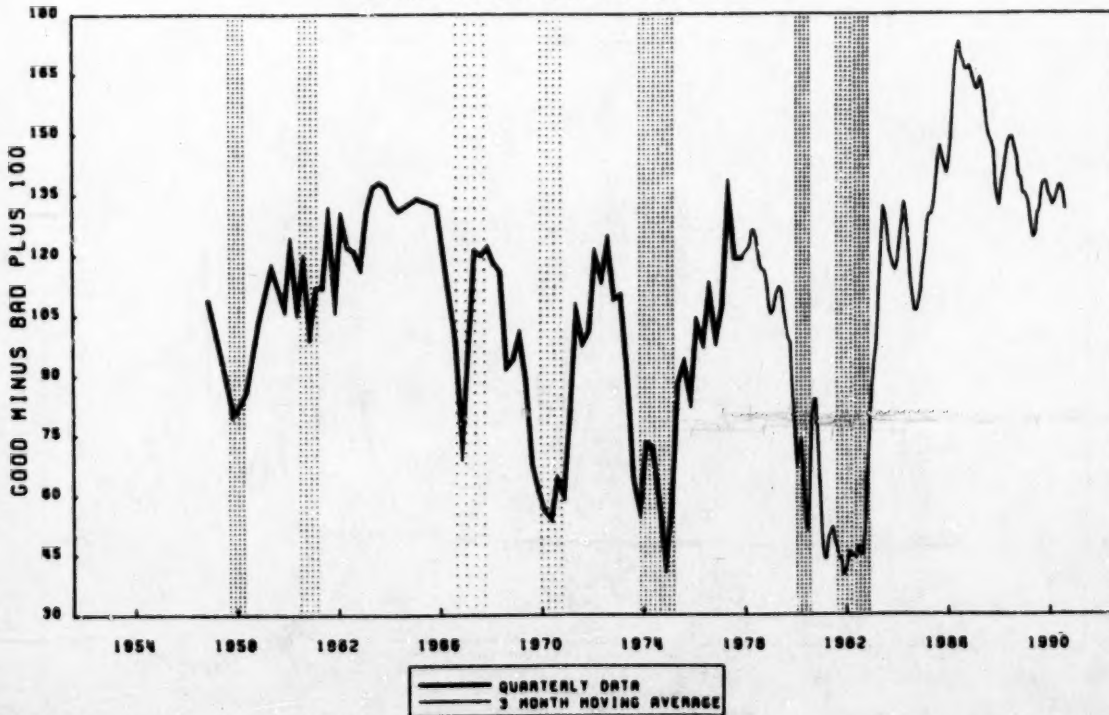


TABLE 23

BUYING CONDITIONS FOR HOUSES

	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990	Aug. 1990
GOOD TIME TO BUY	64%	70%	66%	63%	64%	64%	62%	66%	68%	66%	65%	66%	59%
UNCERTAIN, DEPENDS	4	4	5	7	6	7	4	4	4	4	4	4	4
BAD TIME TO BUY	32	26	29	30	30	29	34	30	28	30	31	30	37
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	502	506	500	502	500	500	511	503	504	504	500	500	500

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 24A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

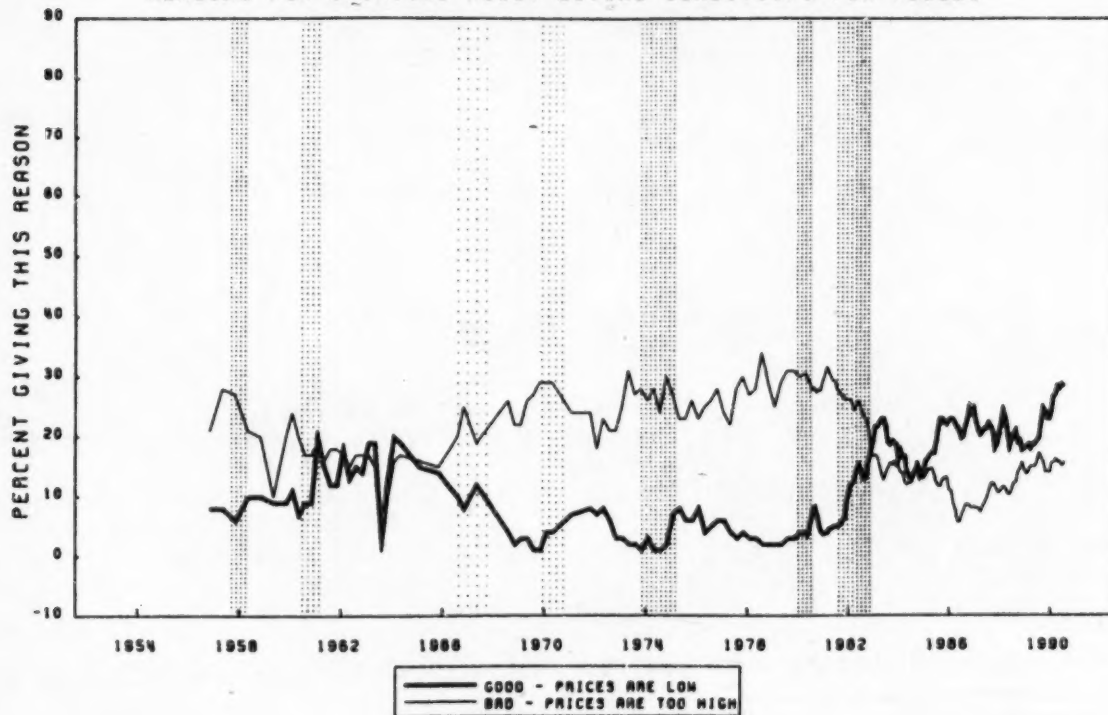


CHART 24B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

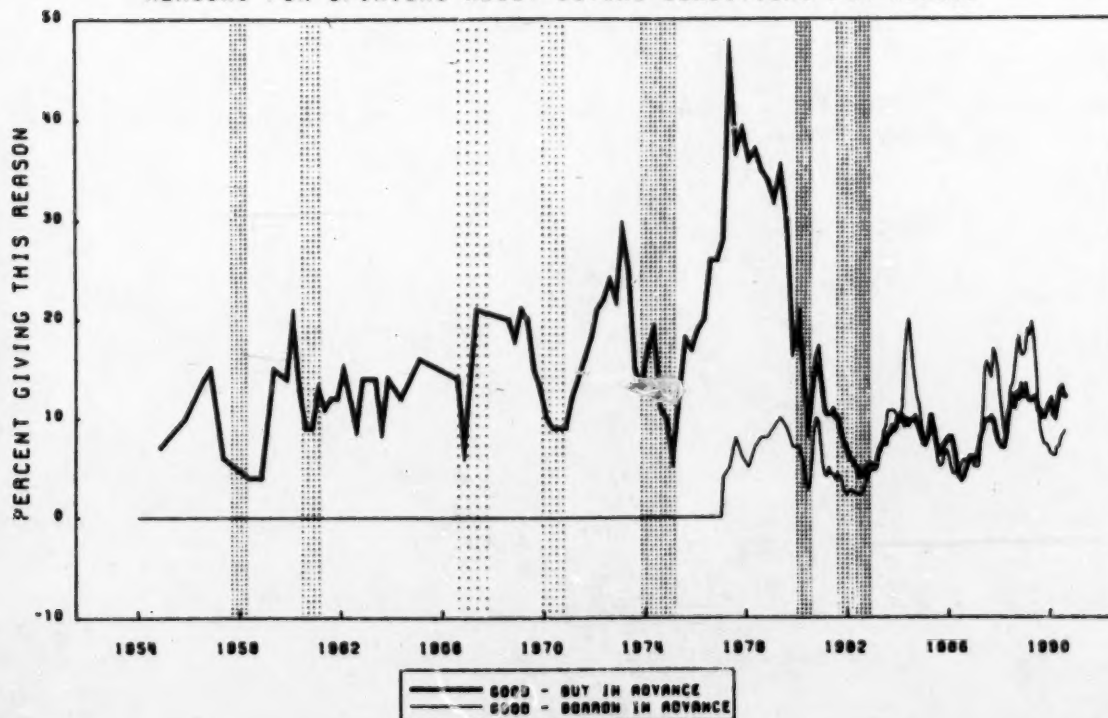


TABLE 24
SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

Aug. 1989 Sept 1989 Oct. 1989 Nov. 1989 Dec. 1989 Jan. 1990 Feb. 1990 Mar. 1990 Apr. 1990 May 1990 June 1990 July 1990 Aug. 1990

GOOD TIME TO BUY:

Prices are low; good buys available	23%	25%	26%	21%	22%	26%	25%	29%	27%	29%	28%	29%	28%
Prices won't come down; are going higher	11	10	9	13	12	10	9	11	14	13	12	12	12
Interest rates are low	28	36	29	29	26	31	25	28	25	17	24	24	21
Borrow-in-advance of rising interest rates	8	8	6	8	7	4	8	6	7	8	9	8	9
Good investment	6	7	6	8	8	8	6	6	9	7	9	6	5
Times are good; prosperity	3	4	5	2	3	2	3	4	5	4	1	2	2

BAD TIME TO BUY:

Prices are high	18	14	15	13	15	14	18	15	16	16	15	14	18
Interest rates are high; credit is tight	15	14	13	15	17	13	18	18	14	14	19	19	20
Times are bad; can't afford to buy	6	6	6	8	6	6	8	5	7	6	4	4	8
Bad times ahead; uncertain future	2	2	1	2	3	4	2	4	1	2	5	1	6

Responses to the query: "Why do you say so?" following the question on Table 23.
+ : May add to more than 100% due to multiple mentions.

CHART 24C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

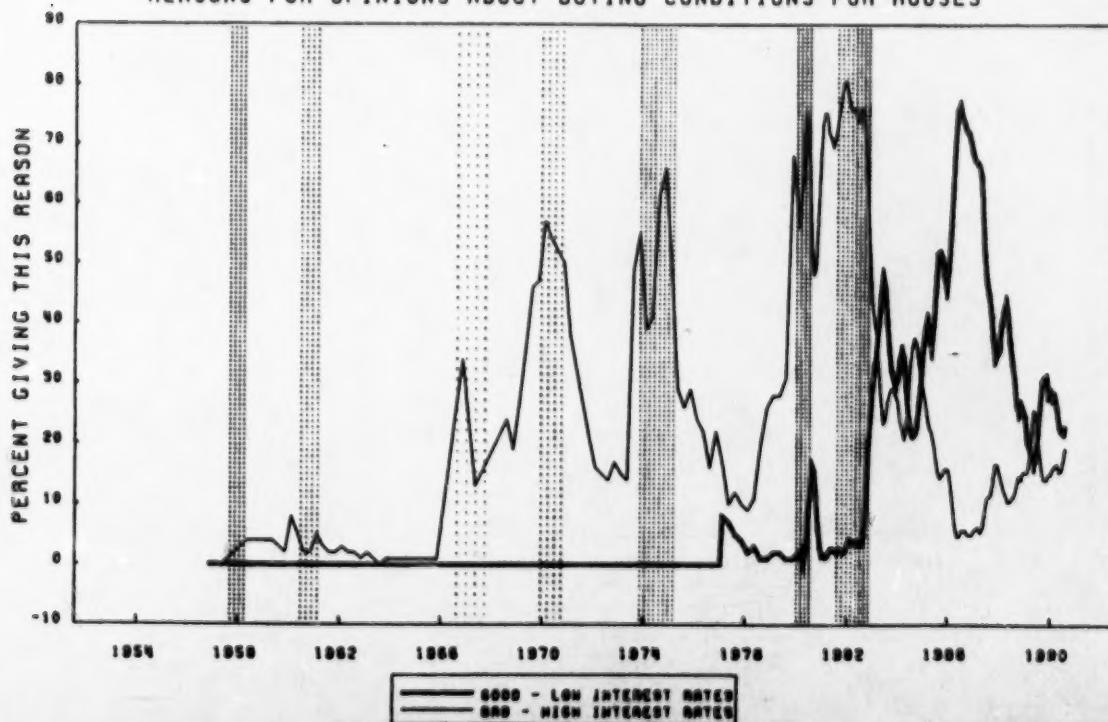


CHART 25 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

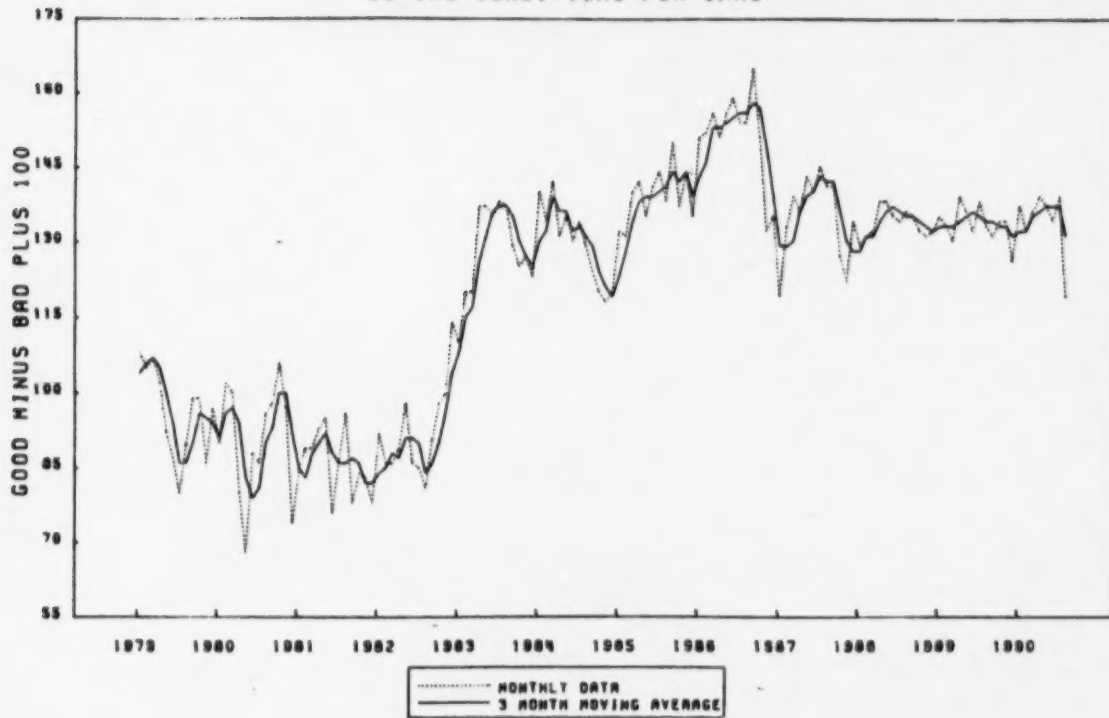


CHART 25 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

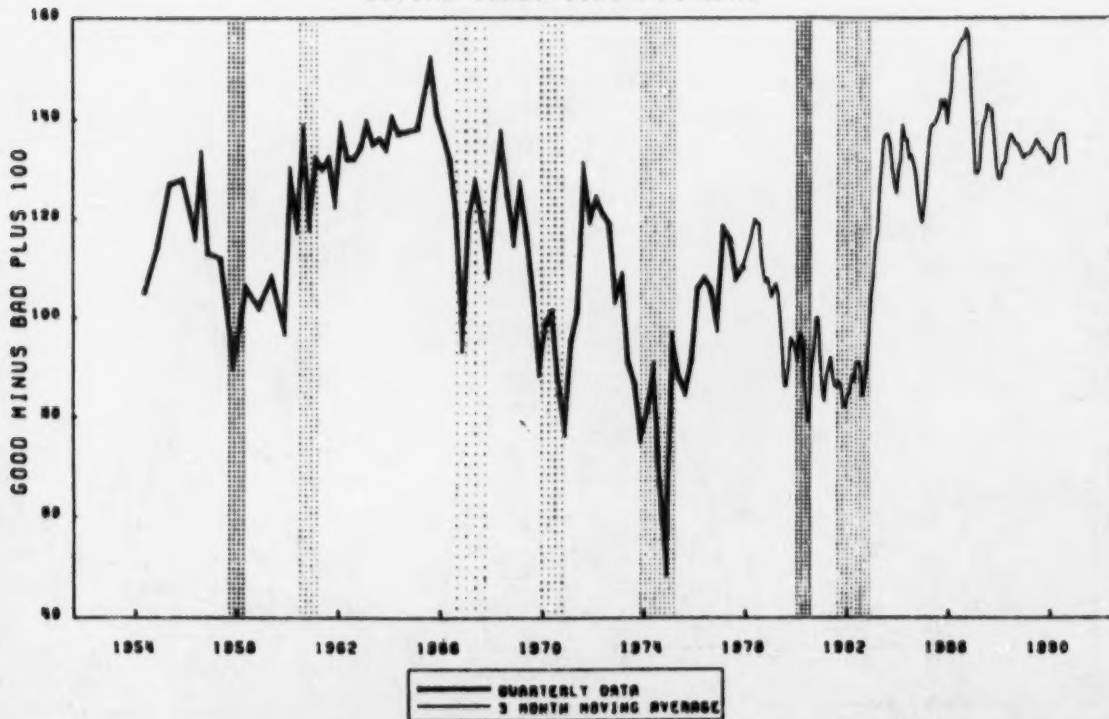


TABLE 25
BUYING CONDITIONS FOR CARS

	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990	Aug. 1990
GOOD TIME TO BUY	61%	61%	62%	62%	58%	63%	63%	65%	66%	64%	63%	65%	57%
UNCERTAIN; DEPENDS	11	9	10	10	10	11	6	6	7	9	8	9	5
BAD TIME TO BUY	28	30	28	28	32	26	31	29	27	27	29	26	38
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	502	506	500	502	500	500	511	503	504	504	500	500	500

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 26A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

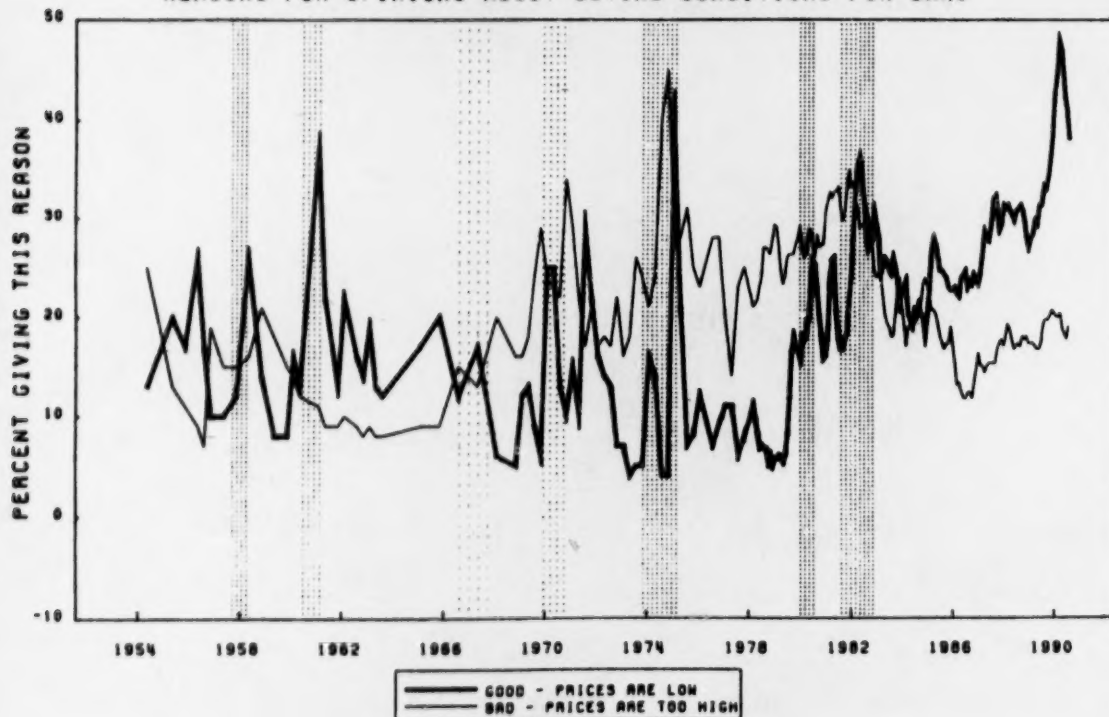


CHART 26B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

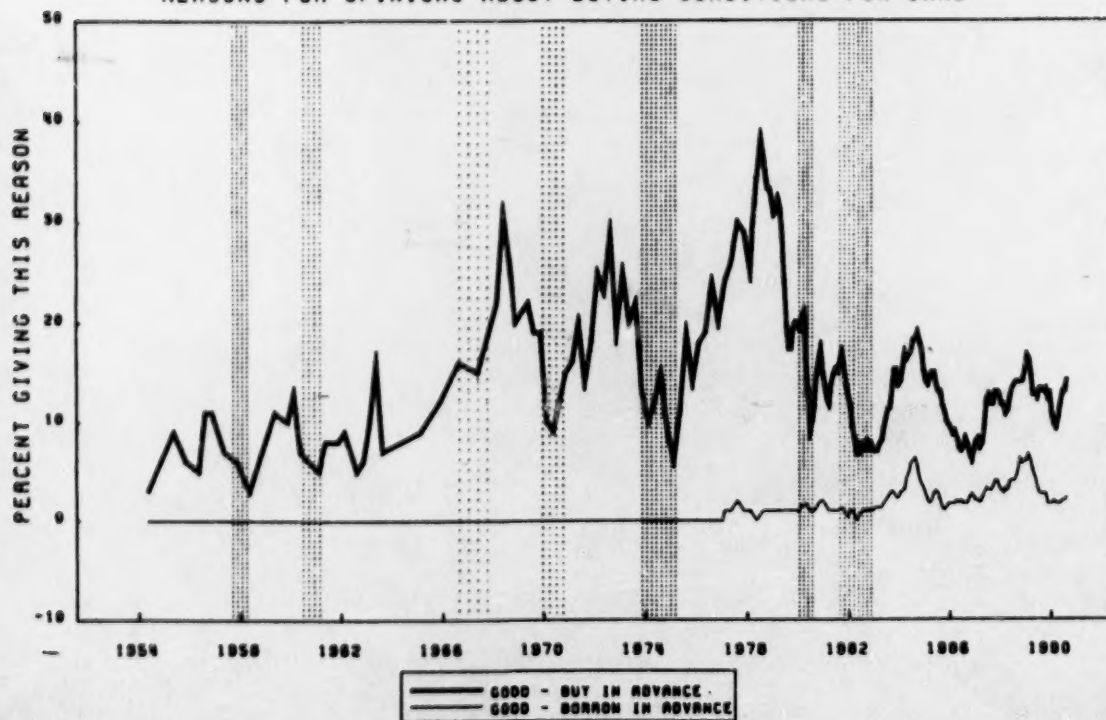
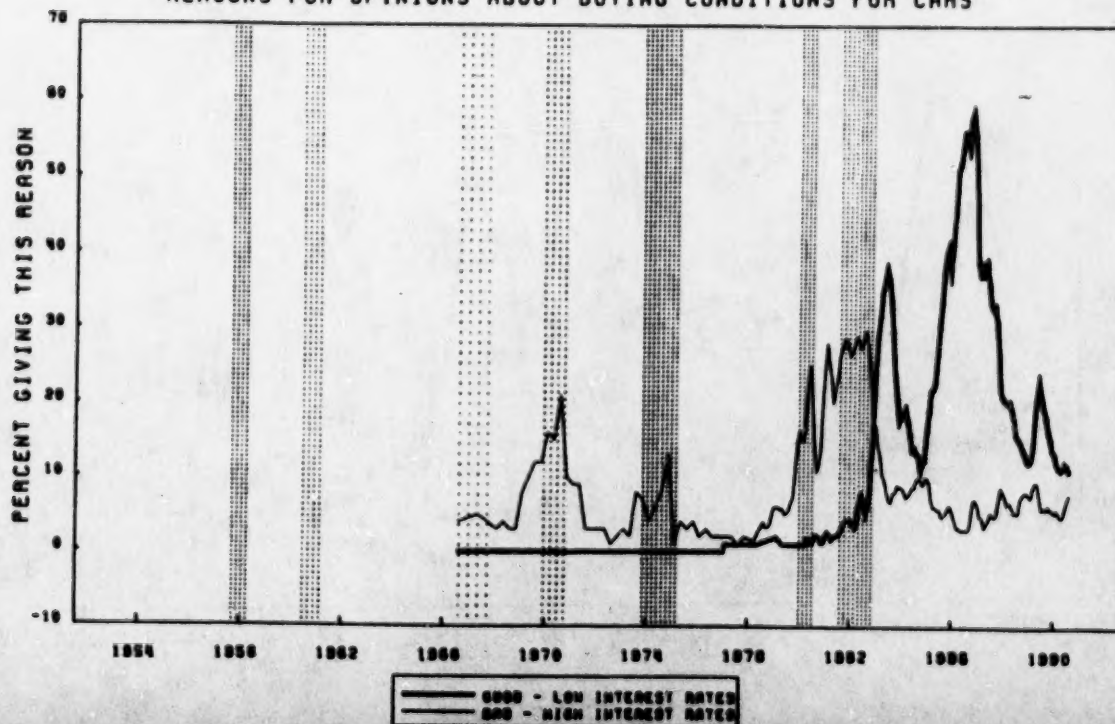


TABLE 26
SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	Aug. 1989	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990	Aug. 1990
GOOD TIME TO BUY:													
Prices are low; good buys available	35%	32%	36%	41%	38%	48%	48%	48%	45%	41%	41%	41%	32%
Prices won't come down; are going higher	14	10	16	11	11	10	8	10	13	12	14	13	16
Interest rates are low	18	18	13	15	13	12	11	11	11	12	13	10	9
Borrow-in-advance of rising interest rates	4	2	2	1	2	2	2	1	2	2	2	2	3
Times are good; prosperity	2	4	3	2	1	2	2	2	2	1	2	2	1
BAD TIME TO BUY:													
Prices are high	22	19	18	23	21	17	22	21	18	17	20	16	21
Interest rates are high; credit is tight	7	6	6	5	6	5	6	4	4	7	7	7	9
Times are bad; can't afford to buy	2	5	4	4	4	2	4	4	4	2	3	5	3
Bad times ahead; uncertain future	2	1	2	1	1	2	2	2	2	2	3	1	6
Price of gas	*	*	*	*	*	*	*	*	*	*	1	*	5
Poor selection; quality	2	3	2	3	4	3	3	4	2	3	4	3	3

Responses to the query: "Why do you say so?" following the question on Table 25.
 +: May add to more than 100% due to multiple mentions. *: Less than half of one percent.

CHART 26C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS



EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES

THE INDEX OF CONSUMER SENTIMENT

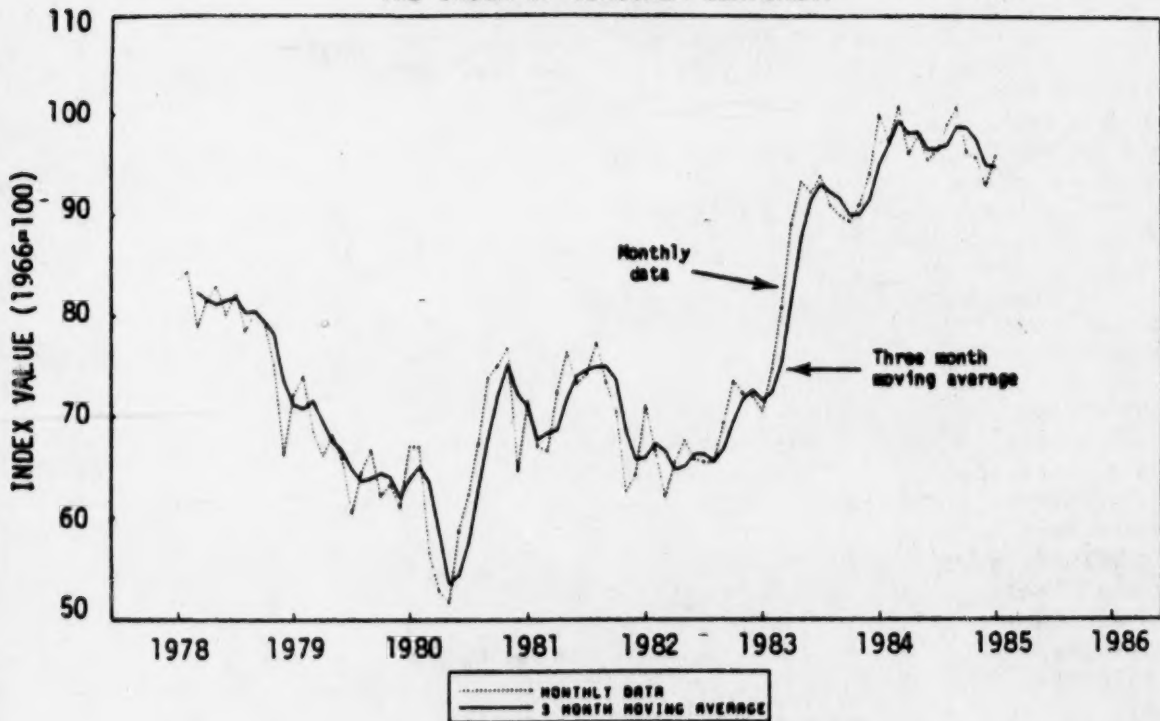
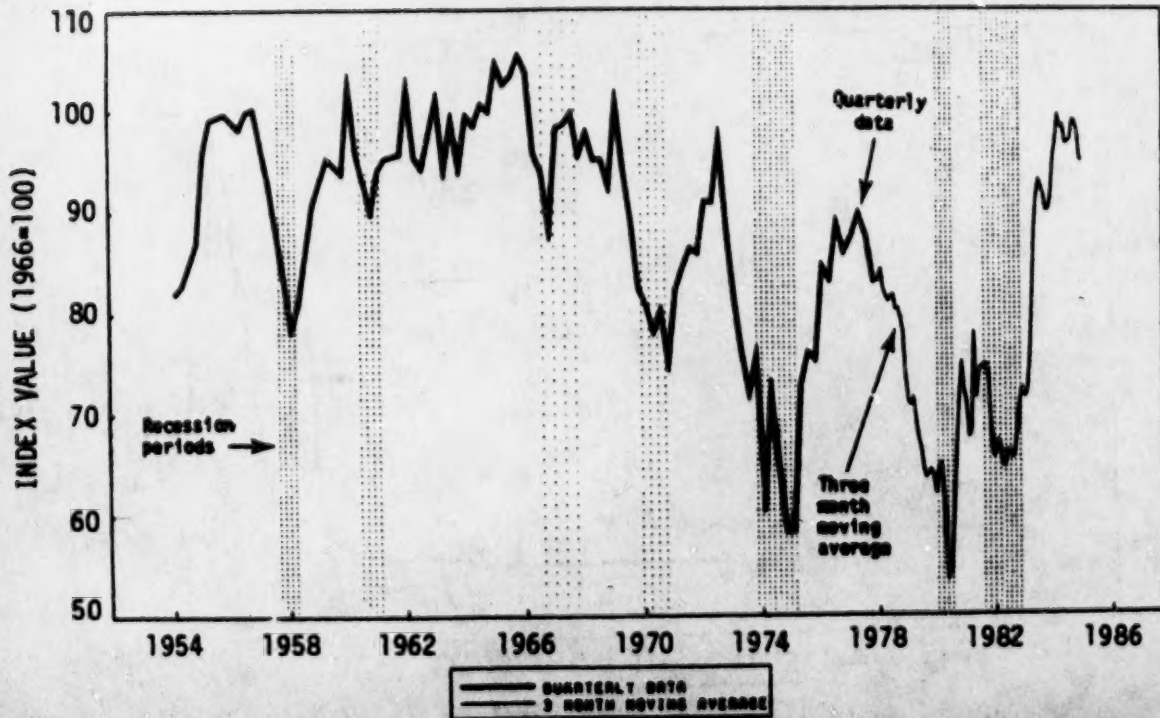


CHART 1 - HISTORICAL SERIES

THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHARTS

DATA POINTS

QUARTERLY DATA: Data collected by surveys conducted at three month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

**THREE-MONTH
MOVING AVERAGE:** Each point plotted represents the average of the three monthly observations ending at the date plotted.

TIME SCALE

Each tic mark on the time scale represents the month of January for the indicated year.

RECESSION PERIODS

November	1948 - October	1949
July	1953 - May	1954
August	1957 - April	1958
April	1960 - February	1961
June	1966 - November	1967*
December	1969 - November	1970
November	1973 - March	1975
January	1980 - July	1980
July	1981 - November	1982

Recession dates are determined by the National Bureau of Economic Research.

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters

***GROWTH RECESSION:** Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

RECOMMENDED ALLOWANCE FOR SAMPLING ERROR OF A PERCENTAGE
(Sampling Error Allowance in Percentage Points¹)

For Estimated Percentage Near	Number of Interviews											
	100	200	300	400	500	750	1000	1250	1500	2000	2500	3000
1% or 99%	2.2	1.6	1.3	1.1	1.0	0.8	0.7	0.6	0.6	0.5	0.4	0.4
5% or 95%	4.9	3.5	2.8	2.4	2.2	1.8	1.5	1.4	1.3	1.1	1.0	0.9
10% or 90%	6.7	4.8	3.9	3.4	3.0	2.4	2.1	1.9	1.7	1.5	1.3	1.2
20% or 80%	9.0	6.3	5.2	4.5	4.0	3.3	2.8	2.5	2.3	2.0	1.8	1.6
30% or 70%	10.3	7.3	5.9	5.1	4.6	3.7	3.2	2.9	2.6	2.3	2.0	1.9
40% or 60%	11.0	7.8	6.3	5.5	4.9	4.0	3.5	3.1	2.8	2.4	2.2	2.0
50%	11.2	7.9	6.5	5.6	5.0	4.1	3.5	3.2	2.9	2.5	2.2	2.0

¹The figures in this table represent two standard errors. Hence, the chances are 95 in 100 that the true percentage lies within a range equal to the observed percentage, plus or minus the sampling error.



Surveys of Consumers

Richard T. Curtin, *Director*

DECLINE IN CONSUMER CONFIDENCE CONTINUES: RECESSION WIDELY EXPECTED BY CONSUMERS

Recessionary Trend In Sentiment Index

Rather than a rebound from the sharp plunge recorded in August, consumer confidence slipped further in the September 1990 survey. The Index of Consumer Sentiment fell to 72.8 in September from 76.4 in August, leaving it more than 20 Index-points below the September 1989 reading of 95.8.

Although the September 1990 decline was relatively small, it marked the fifth consecutive monthly decline, and does signal the establishment of a recessionary trend. As a result, cumulative cutbacks in consumer spending can be expected in the coming months.

The most distinctive aspect of recent trends is that consumers' expectations for the general economy have deteriorated to a much greater extent than consumers' expectations for changes in their own personal financial situation. In past downturns, both measures have generally registered coinciding declines. (Evaluations of buying conditions have usually declined later than expectations for the general economy and personal finances, as is in the current situation.)

The major reason for the difference involves trends in inflation. Past expansions were associated with steady upward pressures on prices, resulting in escalating inflation rates as the expansion lengthened. Moreover, as inflation rates rose, consumers came to expect even higher rates in the

future. As a result, personal financial evaluations declined considerably in the latter stages of past expansions.

Up until the recent increases in oil prices, escalating inflation rates have not been a significant concern of consumers, and this has kept their assessments of their own financial situation at very favorable levels. Rising gasoline prices have begun to erode those favorable assessments, and are likely to continue to do so in the coming months.

The more moderate declines in personal finances are likely to translate into more moderate spending cutbacks than would have been otherwise expected given the same overall decline in sentiment. Nonetheless, as personal finances are squeezed by continued increases in gas prices (and the associated increase in other products and services), spending cutbacks are likely to escalate.

Widespread Weakness Recorded in September

Among families with incomes of \$40,000 or more, the Index fell to 76.7 in September, down from 78.9 one month earlier and 103.0 one year earlier.

Sentiment among residents of all regions, except the West, declined in September: among residents of the Northeast, the Index fell to 65.0, from 67.2 in August; among residents of the North Central it fell to 73.9, from 78.0 in August; and among residents

of the South it fell to 70.2, from 78.7 in August. Sentiment among residents of the Western region improved to 86.4 in September, from 80.1 in August, mainly due to an improved long term outlook for the economy.

Leading Indicator Component Posts Further Loss

The Index of Consumer Expectations fell to 58.8 in September 1990, down from 62.9 one month earlier and 88.6 one year earlier. The September decline was mainly due to the continued erosion in prospect for the national economy during the year ahead.

The Index of Current Economic Conditions fell to 94.7 in September, from 97.5 one month earlier and 107.1 one year earlier. Less favorable evaluations of current buying conditions led the September decline.

Very Pessimistic Outlook for Economy

Consumer assessments of the state of the national economy were very negative in the September 1990 survey. Nearly two-thirds of all households thought that conditions in the economy were now worse than a year ago, and nearly two-thirds expected bad times financially in the economy as a whole during the year ahead.

Good times financially in the economy as a whole during the year ahead were expected by just 18 percent of all families in September 1990, down from 25 percent one month earlier and 55 percent one year earlier. The September reading of 18 percent is only marginally above the all-time record low of 11 percent recorded in 1980.

The longer term outlook for the economy was not as bleak as the near term outlook. In the September 1990 survey, 25 percent of all households expected good times financially in the economy as a whole during the next five years, unchanged from the month-earlier reading, but well below the 41 percent recorded one year earlier.

Bad times financially over the longer term were expected by 57 percent in September, up from 40 percent one year earlier.

Heightened Concerns With Inflation Unemployment, and Interest Rates

In the September 1990 survey, inflation, unemployment and interest rate expectations all remained near their unfavorable August levels. These heightened concerns underpin the very negative outlook for the national economy.

Inflation. The annual rate of inflation was expected to average 5.9% during the year ahead in the September survey, just below the 6.1% recorded in August, but substantially above the 4.4% recorded in September 1989. The August-September expected inflation rates were the highest recorded since 1982.

Unemployment. The national unemployment rate was expected to increase by 44 percent of all households in September 1990, slightly below the 46 percent recorded in August, but well above the 26 percent recorded last September. Just 9 percent of all households expected declines in the unemployment rate during the year ahead in the September survey. Overall, concerns about rising unemployment are now higher than anytime since the last recession in the early 1980s.

Interest Rates. In the September 1990 survey, interest rates were expected to increase by 63 percent of all households, up from 59 percent one month earlier and 50 percent one year earlier. Declines in interest rates were expected by 14 percent of all households in September, down from 19 percent in August.

Personal Finances Post Moderate Decline

In comparison with the sharp declines recorded in prospects for the national economy, consumers' evaluations of their personal financial situation have declined to a much more modest extent. Overall,

however, these evaluations were less favorable in the September 1990 survey than at any other time during the current expansion.

Among all households in the September 1990 survey, 36 percent reported that their financial situation had improved during the past year, unchanged from one month earlier, but below the 42 percent recorded one year earlier.

The proportion of families that expected their personal financial situation to improve during the year ahead fell to 29 percent in September, from 32 percent one month earlier and 38 percent one year earlier. A worsening financial situation was expected by 17 percent of all households in September, up from 13 percent one month earlier and 9 percent one year earlier. The recent decline was due to concerns about rising prices and lagging incomes.

Buying Attitudes Edge Downward

Additional declines in attitudes toward buying conditions for home and large household durables were recorded in September, while vehicle buying conditions were slightly higher than the depressed August reading. Overall, buying attitudes for each market studied were below the year earlier levels.

Household Durables. Favorable attitudes toward buying conditions for furniture, appliances, home electronics, and other large household durables fell to 66 percent in September, from 69 percent one month earlier and 75 percent one year earlier. Fewer households mentioned the availability of discounts in the September 1990 survey than one year earlier (26 percent, down from 34 percent), and more households registered complaints about high prices (14 percent, up from 7 percent).

Homes. Favorable attitudes toward buying conditions for homes were held by 58 percent of all families in the September 1990 survey, down from 59 percent one month earlier and 70 percent one year earlier. The decline in favorable home buying attitudes was entirely due to rising mortgage interest rates. The proportion of families that mentioned the availability of low mortgage rates fell to 15 percent in September, from 21 percent one month earlier and 36 percent one year earlier.

Rising mortgage rates have soured home buying attitudes despite the widespread perception that home prices have declined. In the September 1990 survey, 30 percent of all families mentioned declines in home prices, a new all-time record level replacing the 29 percent recorded several times earlier in 1990.

Vehicles. Favorable attitudes toward vehicle buying conditions were held by 59 percent of all households in the September 1990 survey, which was between the 57 percent recorded one month earlier and the 61 percent recorded one year earlier. The availability of price discounts was mentioned by 34 percent of all households in September 1990, just ahead of the 32 percent recorded both one month and one year earlier.

Rising gasoline prices continued to exert a negative influence on consumers' evaluations of vehicle buying conditions, mentioned by 10 percent of all families in the September 1990 survey, up from 5 percent in August.

* * *

The September 1990 survey included 502 completed interviews conducted between September 4 and September 30, 1990.



Surveys of Consumers



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SURVEYS OF CONSUMERS

SEPTEMBER 1990

The September 1990 survey was the 266th in a series of Surveys of Consumers conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results for the total sample will differ by no more than 5 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

While every effort is made to accurately measure consumer attitudes and expectations, factors other than sampling may also affect the accuracy of these (and other) findings. These factors may include effects of the question wording, the ability of respondents to articulate answers and opinions, refusal to participate in the survey, and incomplete coverage of the population. There are no standard measures of these effects, but their presence should be acknowledged when using these and all other survey data. While measurement effects are present in all surveys, a noted advantage of time-series data is that the non-sampling influences remain relatively constant across samples.

Richard Curtin, Director • Surveys of Consumers • P.O. Box 1248 • Ann Arbor, Michigan 48106
Phone: (313) 763-5224 • Fax: (313) 764-3488

TABLE OF CONTENTS

TABLE	TITLE
1.	The Index of Consumer Sentiment
2.	Index of Consumer Sentiment within Region and Age Subgroups
3.	Components of the Index of Consumer Sentiment
4.	Current Financial Situation Compared to a Year Ago
5.	Selected Reasons for Opinions About Personal Financial Situation
6.	Expected Change in Financial Situation
7.	Trend in Personal Financial Situation
8.	Expected Family Income Change During the Next 12 Months
9.	Expected Change in Real Family Income
10.	News Heard of Recent Changes in Business Conditions
11.	Selected Items of News Heard of Recent Changes in Business Conditions
12.	Current Business Conditions Compared to a Year Ago
13.	Expected Change in Business Conditions in a Year
14.	Trend in Past and Expected Changes in Business Conditions
15.	Business Conditions Expected During the Next 12 Months
16.	Business Conditions Expected During the Next 5 Years
17.	Expected Change in Unemployment
18.	Expected Change in Interest Rates
19.	Expected Change in Prices During the Next 12 Months
20.	Opinions About the Government's Economic Policy
21.	Buying Conditions for Large Household Goods
22.	Selected Reasons About Buying Conditions for Large Household Goods
23.	Buying Conditions for Houses
24.	Selected Reasons for Opinions About Buying Conditions for Houses
25.	Buying Conditions for Cars
26.	Selected Reasons for Opinions About Buying Conditions for Cars

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

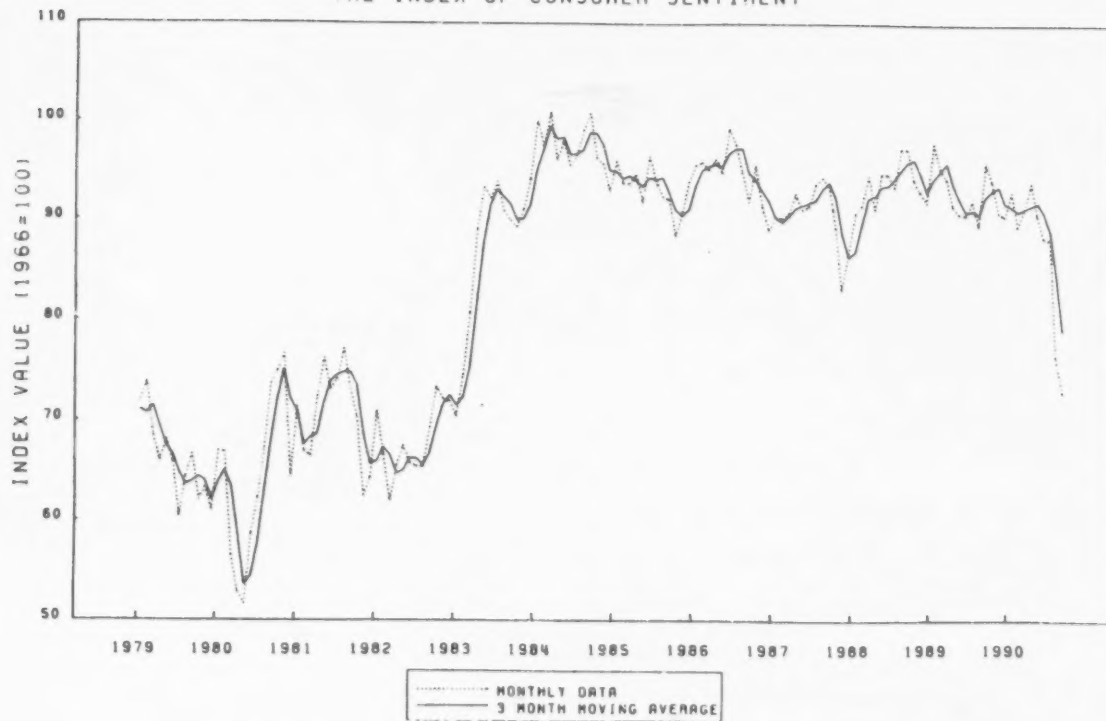


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

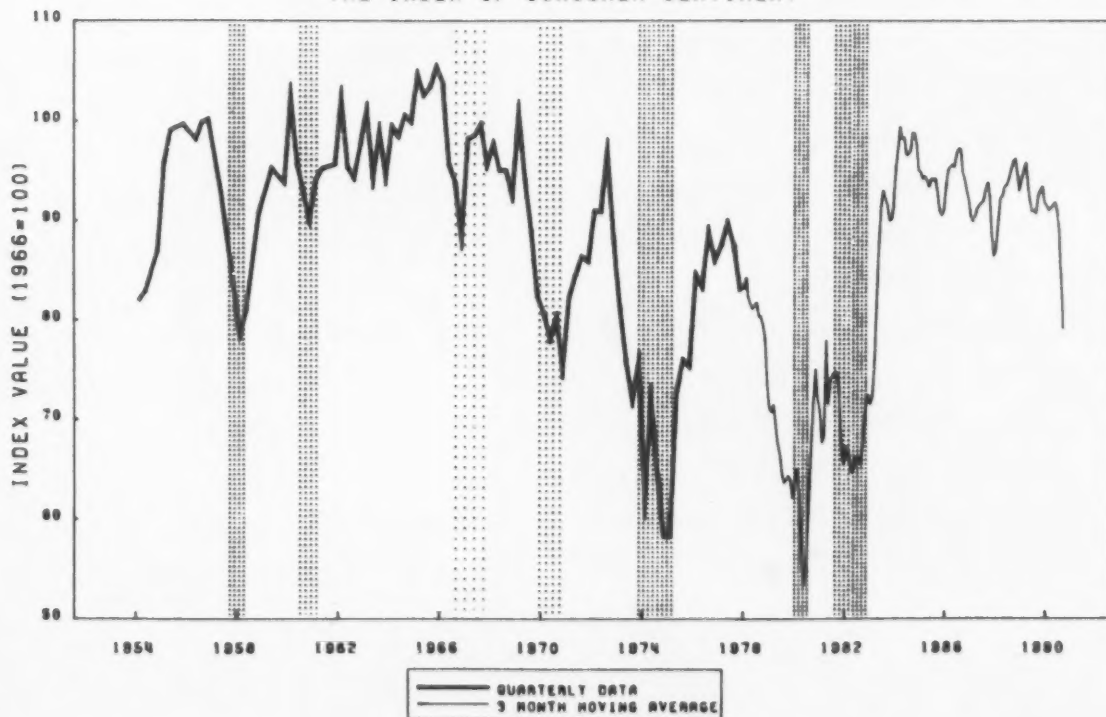


TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	All families	Families with incomes over \$30,000	Families with incomes over \$40,000
September 1987	93.6	100.6	104.3
October 1987	89.3	99.9	101.8
November 1987	83.1	87.7	90.5
December 1987	86.8	94.5	96.1
January 1988	90.8	99.0	99.9
February 1988	91.6	98.1	100.8
March 1988	94.6	103.7	104.6
April 1988	91.2	99.1	99.6
May 1988	94.8	106.6	108.3
June 1988	94.7	102.3	102.7
July 1988	93.4	100.5	103.9
August 1988	97.4	105.1	104.2
September 1988	97.3	102.8	105.4
October 1988	94.1	103.0	103.7
November 1988	93.0	102.0	101.0
December 1988	91.9	97.0	99.5
January 1989	97.9	108.4	106.8
February 1989	95.4	104.6	109.6
March 1989	94.3	98.6	100.0
April 1989	91.5	99.1	99.8
May 1989	90.7	100.6	100.3
June 1989	90.6	95.2	95.4
July 1989	92.0	103.2	101.9
August 1989	89.6	93.5	93.1
September 1989	95.8	104.1	103.0
October 1989	93.9	100.2	103.6
November 1989	90.9	99.4	100.5
December 1989	90.5	100.0	104.1
January 1990	93.0	99.9	103.2
February 1990	89.5	93.9	91.8
March 1990	91.3	98.4	98.8
April 1990	93.9	99.8	103.3
May 1990	90.6	97.1	98.6
June 1990	88.3	97.9	99.1
July 1990	88.2	93.9	94.4
August 1990	76.4	80.1	78.9
September 1990	72.8	75.7	76.7

CHART 2A - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

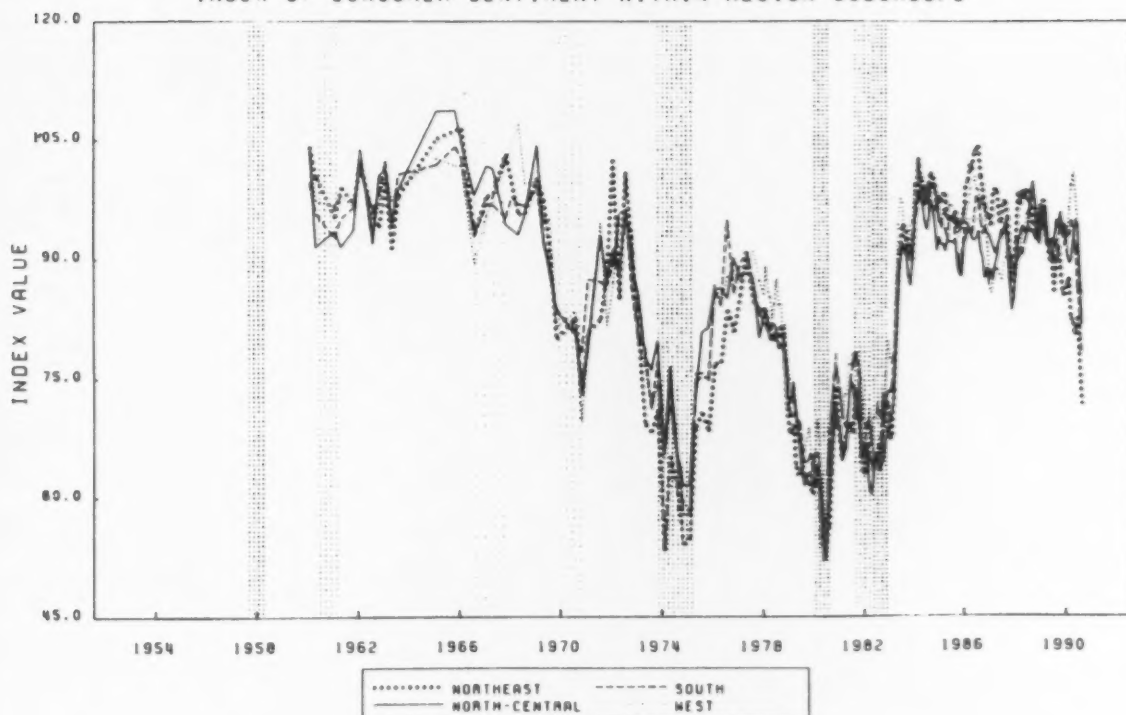


CHART 2B - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

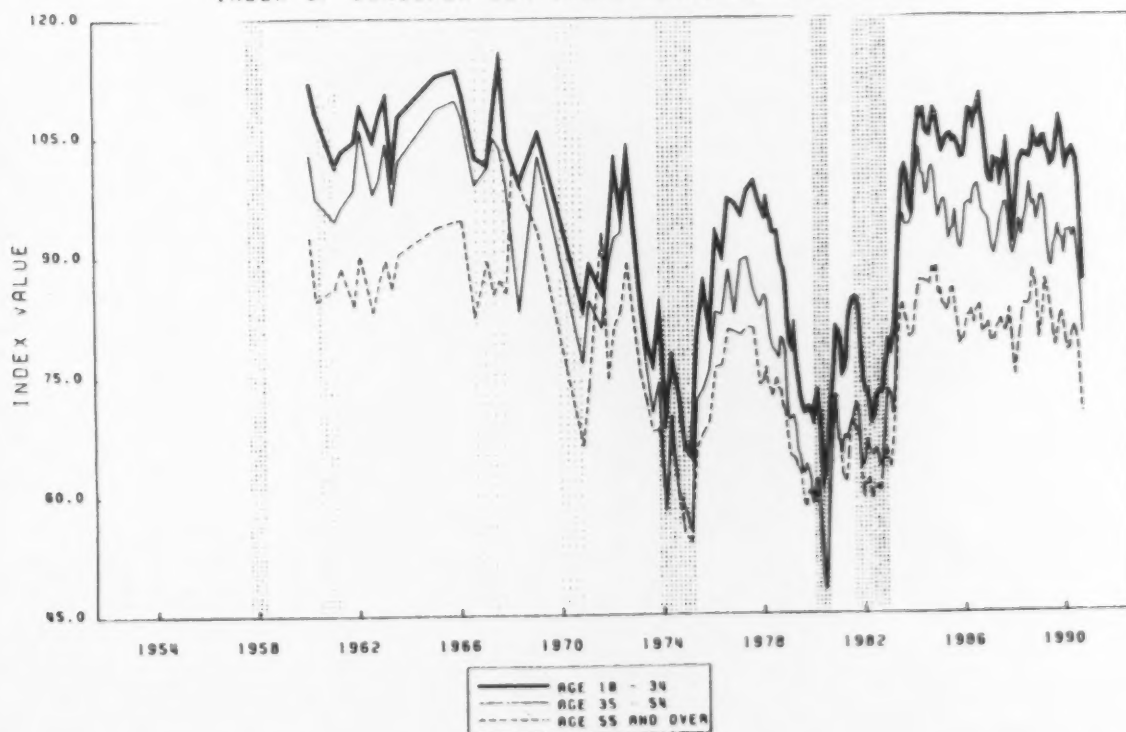


TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY	CENSUS REGION				AGE OF RESPONDENT		
	North East	North Central	South	West	18-34	35-54	55+
September 1987	92.2	94.7	94.9	91.5	104.1	95.4	82.6
October 1987	93.8	87.2	88.3	89.1	92.0	89.9	86.2
November 1987	83.9	79.6	87.9	79.4	91.7	86.6	70.8
December 1987	83.4	83.6	90.4	89.2	94.1	92.9	73.6
January 1988	99.8	91.3	87.6	88.5	98.3	93.6	80.1
February 1988	93.7	92.1	92.8	86.3	102.5	90.3	79.9
March 1988	101.2	92.9	91.6	95.3	103.5	98.9	80.0
April 1988	94.9	93.9	88.6	89.0	100.0	87.5	86.6
May 1988	99.1	95.5	91.1	97.3	104.2	95.4	84.7
June 1988	98.1	91.2	95.9	95.2	103.1	102.0	79.5
July 1988	98.3	92.0	91.8	94.0	99.6	93.0	86.6
August 1988	95.7	100.9	94.4	98.5	103.6	101.7	86.3
September 1988	95.2	101.9	93.3	97.6	106.1	93.3	91.4
October 1988	91.8	96.1	92.9	96.6	105.8	94.6	82.0
November 1988	95.8	90.6	90.5	98.9	100.4	94.3	82.2
December 1988	90.8	90.2	96.1	88.0	103.7	97.1	73.9
January 1989	96.9	94.2	99.9	102.2	105.8	100.3	86.7
February 1989	103.5	99.2	88.8	93.6	104.3	94.2	86.7
March 1989	91.5	95.8	96.1	92.2	103.9	91.8	87.0
April 1989	83.9	94.6	93.4	90.3	101.0	87.5	83.8
May 1989	99.9	86.7	87.3	94.3	102.2	86.9	81.9
June 1989	84.7	91.2	94.4	89.8	100.0	90.4	81.1
July 1989	87.2	91.9	95.6	91.8	101.9	95.8	78.0
August 1989	85.2	93.6	85.0	95.7	105.7	88.9	76.1
September 1989	97.1	98.8	94.0	92.7	107.1	96.2	84.9
October 1989	92.1	89.6	99.5	92.6	107.3	90.5	83.9
November 1989	77.5	98.7	87.2	99.4	102.2	88.6	79.3
December 1989	87.1	89.2	93.5	90.7	99.3	90.3	80.4
January 1990	91.0	94.2	93.8	92.2	101.4	99.5	78.3
February 1990	82.0	88.2	91.5	95.1	104.9	88.2	74.7
March 1990	89.5	85.5	92.5	101.5	101.7	91.4	81.1
April 1990	75.9	95.6	100.1	101.1	102.8	96.0	83.6
May 1990	80.4	96.5	88.0	99.5	102.6	91.6	77.9
June 1990	84.6	92.1	85.5	92.3	99.5	85.8	79.2
July 1990	82.6	93.3	85.3	90.1	95.1	89.4	79.2
August 1990	67.2	78.0	78.7	80.1	83.9	80.4	64.5
September 1990	65.0	73.9	70.2	86.4	80.8	70.1	66.9

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

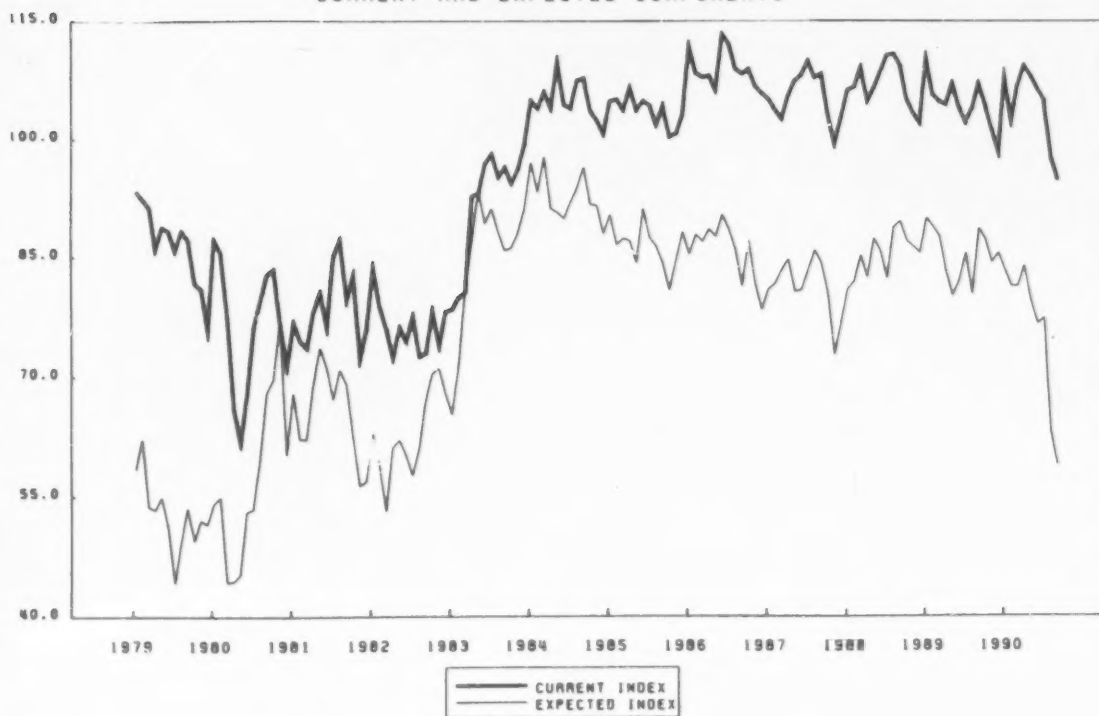


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

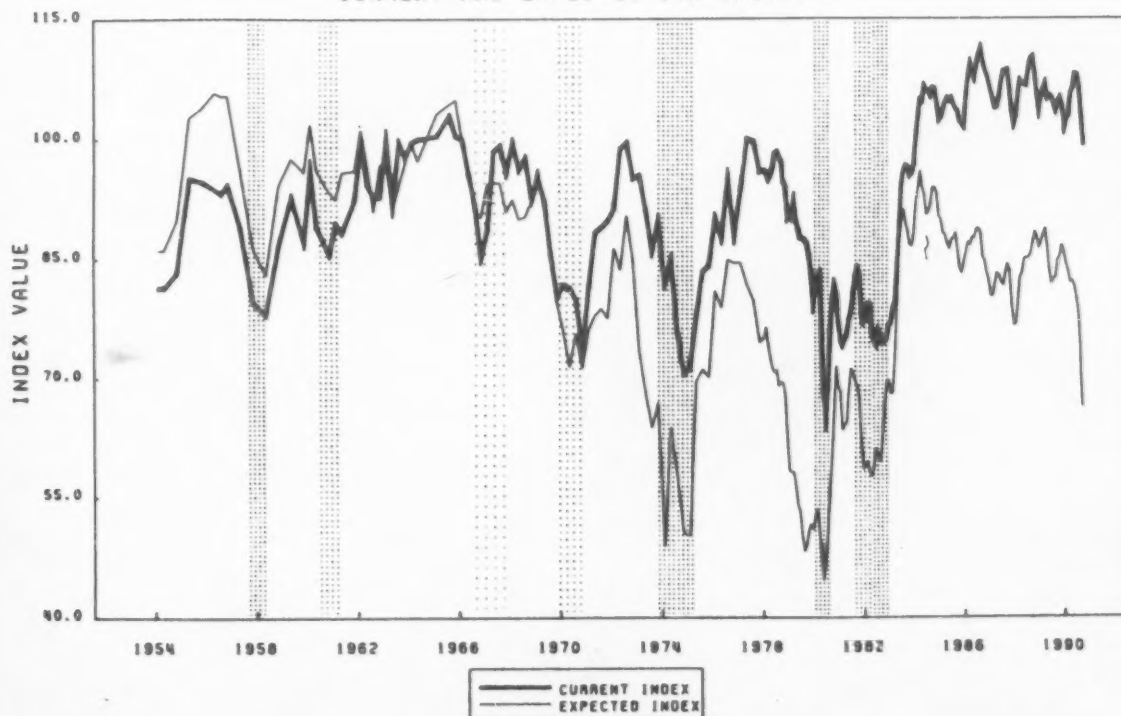


TABLE 3
COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT
INDEX COMPONENTS +

DATE OF SURVEY	Personal finances		Business conditions		Buying conds.	Current Index	Expected Index
	Current	Expected	12 months	5 years			
	(1)	(2)	(3)	(4)	(5)	(1,5)	(2,3,4)
September 1987	119	124	122	92	162	108.3	84.2
October 1987	118	128	105	90	149	103.1	89.4
November 1987	115	118	93	80	142	99.3	72.7
December 1987	119	120	98	89	147	102.7	76.7
January 1988	122	131	110	84	154	106.2	80.9
February 1988	122	130	108	90	155	106.6	81.9
March 1988	127	133	114	96	156	109.1	85.2
April 1988	117	125	117	89	154	104.8	82.4
May 1988	111	127	125	98	165	106.5	87.3
June 1988	119	129	121	95	163	108.6	85.7
July 1988	120	128	106	96	167	110.7	82.3
August 1988	127	127	125	105	160	110.8	88.8
September 1988	127	133	125	102	157	109.4	89.5
October 1988	114	124	129	97	158	105.0	87.0
November 1988	112	128	122	97	156	103.3	86.3
December 1988	114	127	119	98	150	102.0	85.5
January 1989	121	131	128	103	165	110.3	89.9
February 1989	120	130	128	99	154	105.7	88.8
March 1989	116	131	123	98	156	104.8	87.6
April 1989	113	130	113	91	158	104.4	83.2
May 1989	121	125	107	89	157	107.1	80.1
June 1989	115	123	115	90	155	104.1	82.0
July 1989	112	123	124	96	152	102.1	85.5
August 1989	114	126	109	88	156	103.9	80.3
September 1989	117	129	127	101	161	107.1	88.6
October 1989	114	134	124	93	156	104.4	87.2
November 1989	116	130	116	92	146	101.2	84.3
December 1989	115	129	115	99	140	98.2	85.5
January 1990	116	124	119	92	164	108.0	83.4
February 1990	108	126	111	90	157	102.3	81.3
March 1990	117	125	108	93	160	106.9	81.3
April 1990	122	136	110	92	162	109.4	83.9
May 1990	119	126	110	83	161	108.1	79.3
June 1990	119	125	100	83	158	106.5	76.6
July 1990	115	127	98	84	158	105.1	77.3
August 1990	105	119	63	68	147	97.5	62.9
September 1990	106	112	53	68	139	94.7	58.8

(1) See Table 4 (2) See Table 6 (3) See Table 15 (4) See Table 16 (5) See Table 21
+: Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES"
(or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

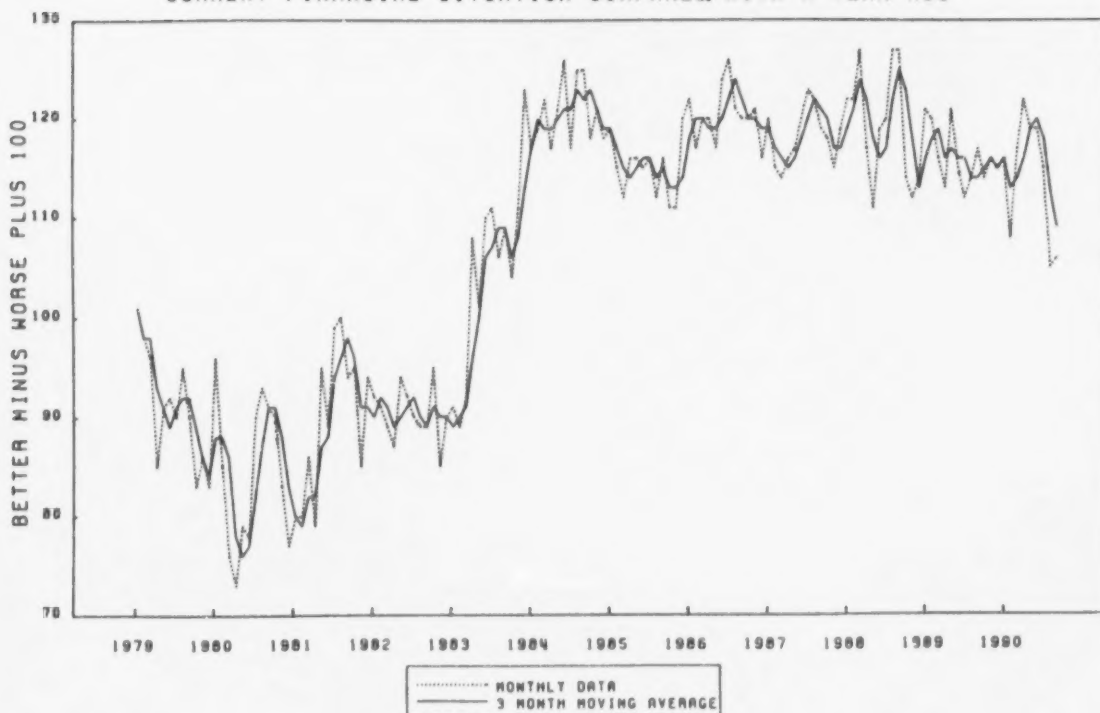


CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

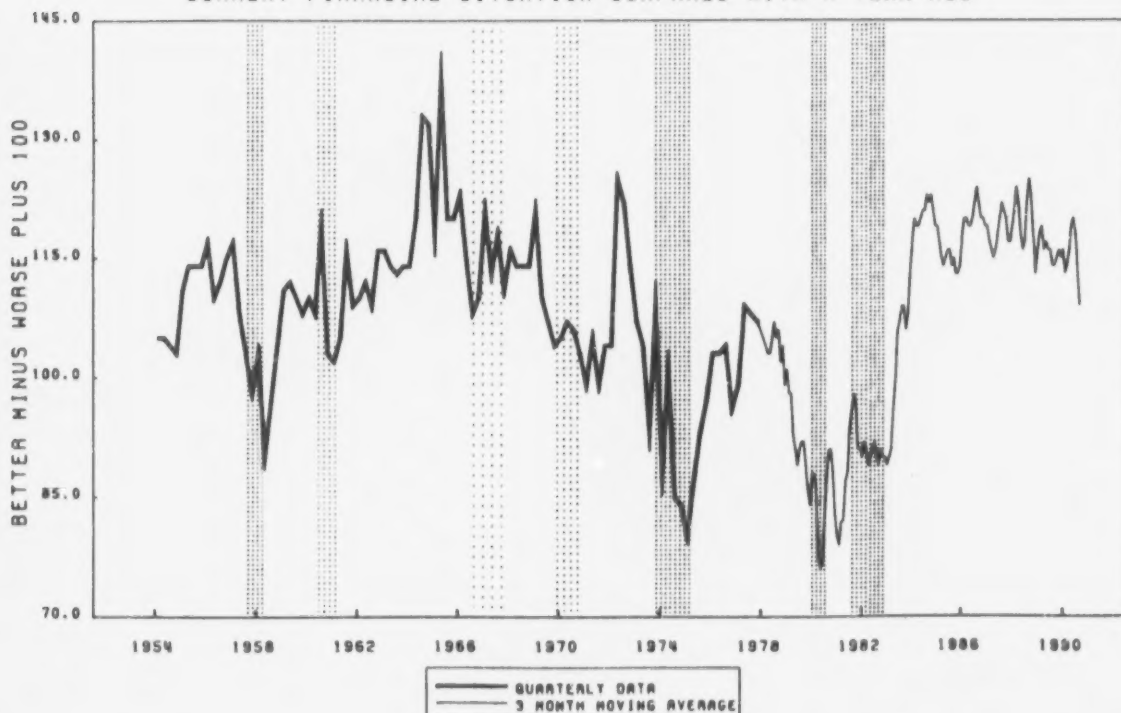


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990	Aug. 1990	Sept 1990
BETTER OFF	42%	42%	42%	41%	43%	38%	43%	46%	43%	43%	43%	36%	36%
SAME	32	30	32	32	30	32	30	29	33	33	29	33	34
WORSE OFF	25	28	26	26	27	30	26	24	24	24	28	31	30
DK,NA	1	*	*	1	*	*	1	1	*	*	*	*	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	506	500	502	500	500	511	503	504	504	500	500	500	502

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

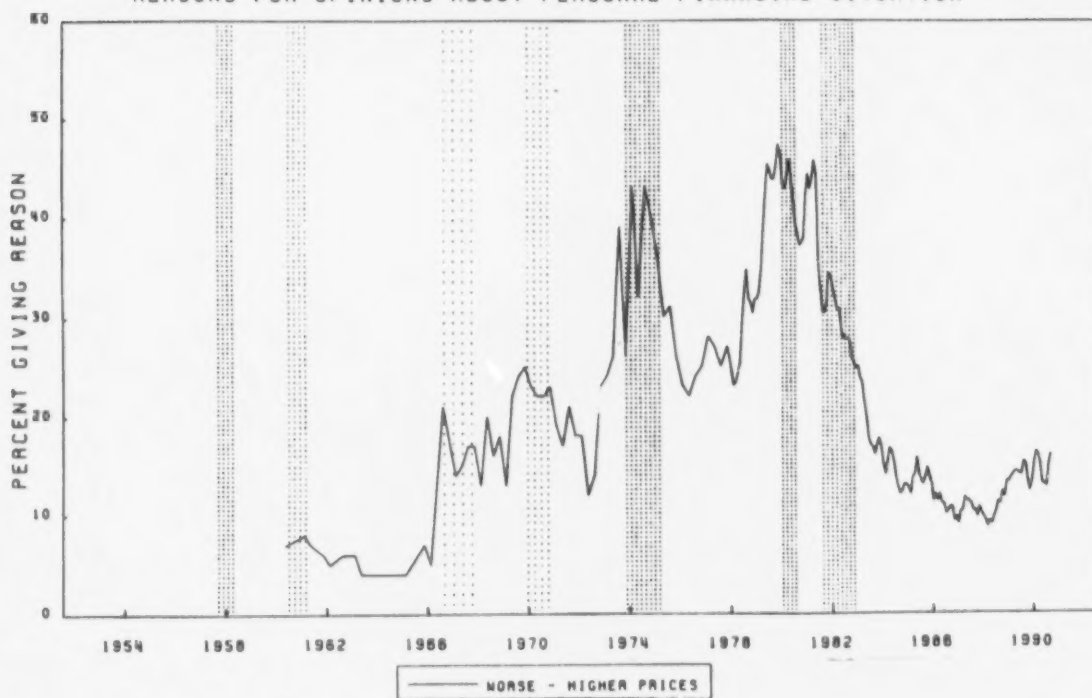


CHART 5B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

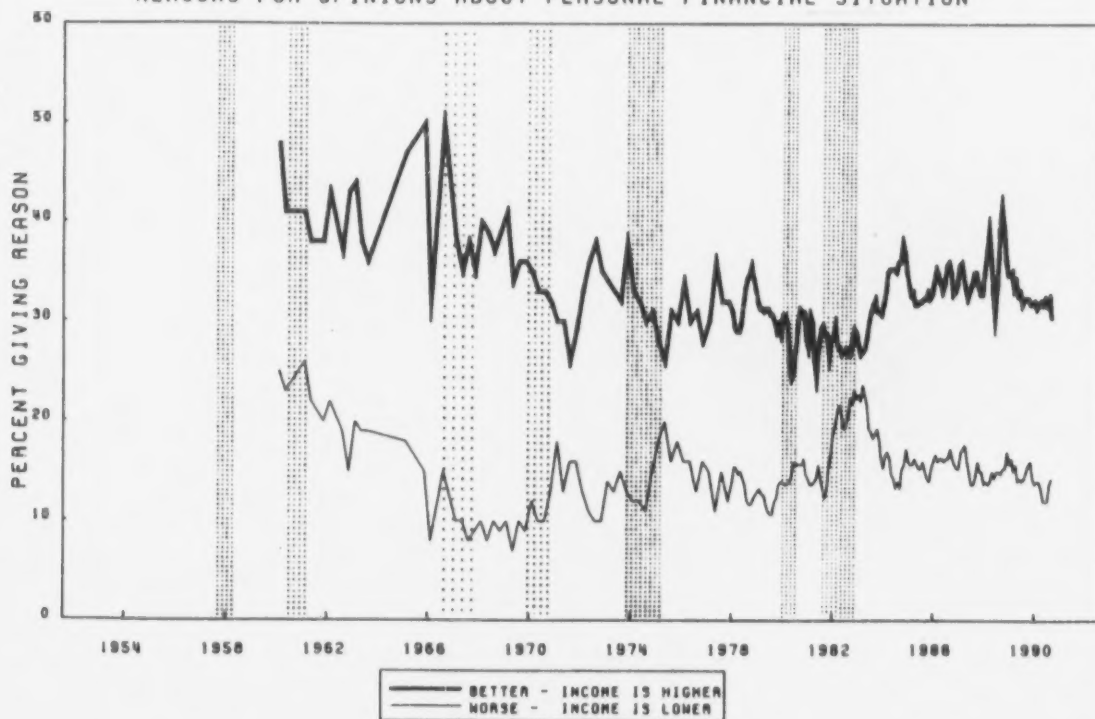


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990	Aug. 1990	Sept 1990
BETTER OFF THAN YEAR AGO:													
Income is higher	31%	32%	32%	31%	33%	30%	32%	34%	29%	34%	32%	31%	28%
WORSE OFF THAN YEAR AGO:													
Income is lower	16	17	15	11	15	16	11	13	12	11	13	17	13
Higher prices	13	11	13	16	16	17	15	13	11	15	12	18	18

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

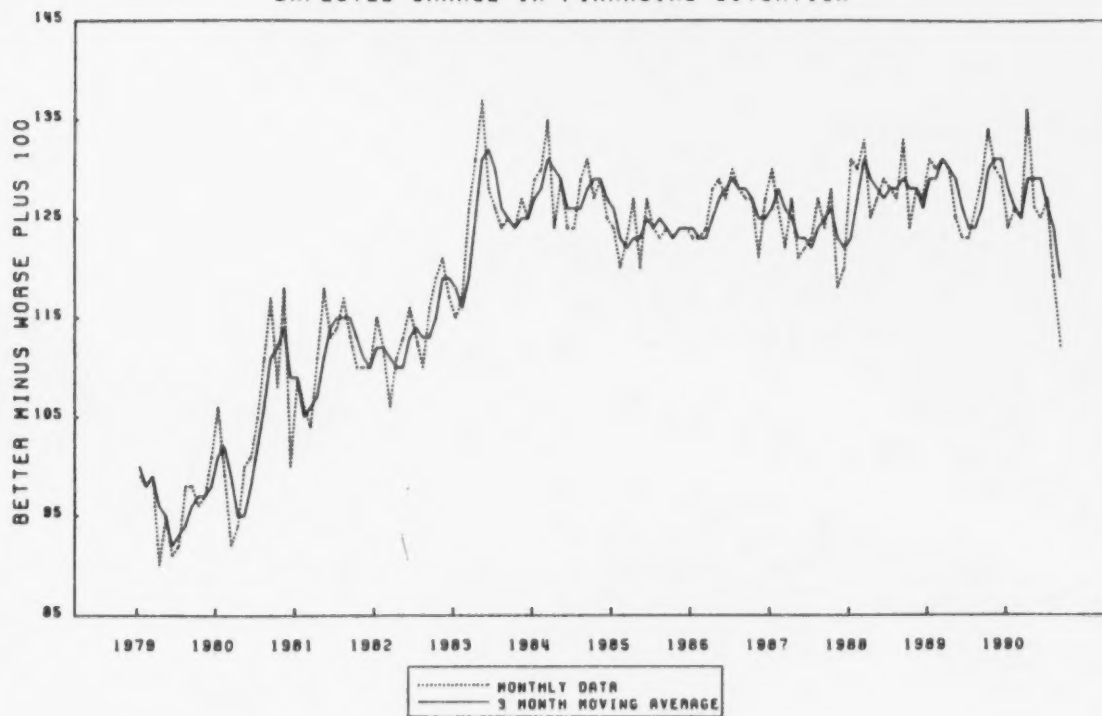


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

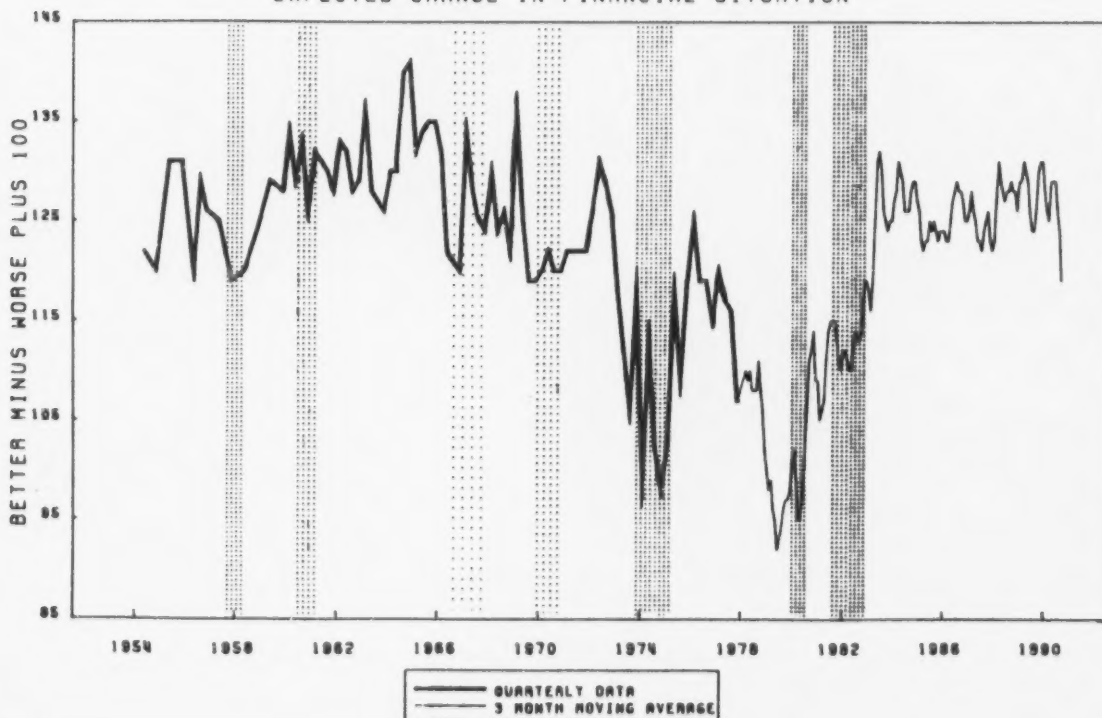


TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990	Aug. 1990	Sept 1990
BETTER OFF	38%	41%	40%	37%	35%	35%	37%	45%	38%	36%	37%	32%	29%
SAME	49	47	48	50	51	53	49	44	48	50	51	52	52
WORSE OFF	9	7	10	8	11	9	12	9	12	11	10	13	17
DK, NA	4	5	2	5	3	3	2	2	2	3	2	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	506	500	502	500	500	511	503	504	504	500	500	500	502

The question was: "Now looking ahead—do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION



CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

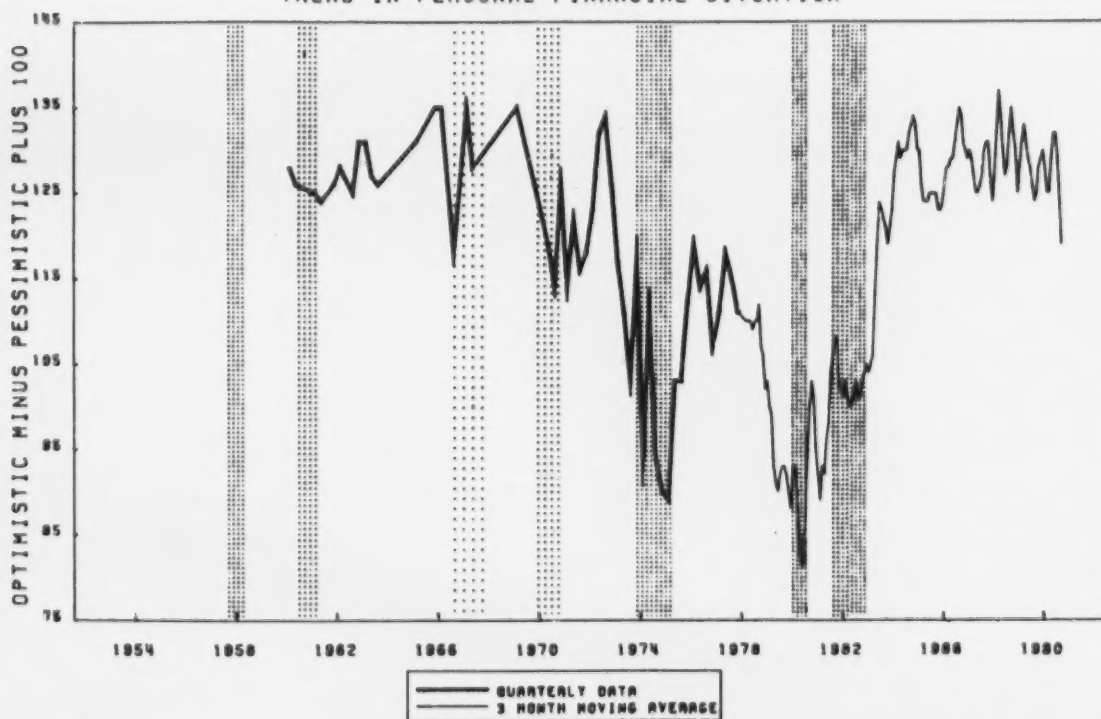


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990	Aug. 1990	Sept 1990
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	24%	22%	21%	19%	20%	17%	20%	24%	22%	19%	21%	14%	14%
Intermittant increase(b)	24	27	26	28	28	26	28	29	26	29	26	28	26
Remain unchanged (c)	19	17	20	18	17	21	17	16	21	18	20	18	21
Intermittant decline (d)	17	12	14	16	16	17	15	11	11	16	13	20	17
Continuous decline (e)	4	5	4	3	6	5	6	4	7	4	6	6	9
Mixed change (f)	8	11	13	11	9	10	10	13	11	11	12	11	11
DK,NA	4	6	2	5	4	4	4	3	2	3	2	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	506	500	502	500	500	511	503	504	504	500	500	500	502

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
 (b) Better/Same or Same/Better
 (c) Same/Same
 (d) Worse/Same or Same/Worse
 (e) Worse/Worse
 (f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME

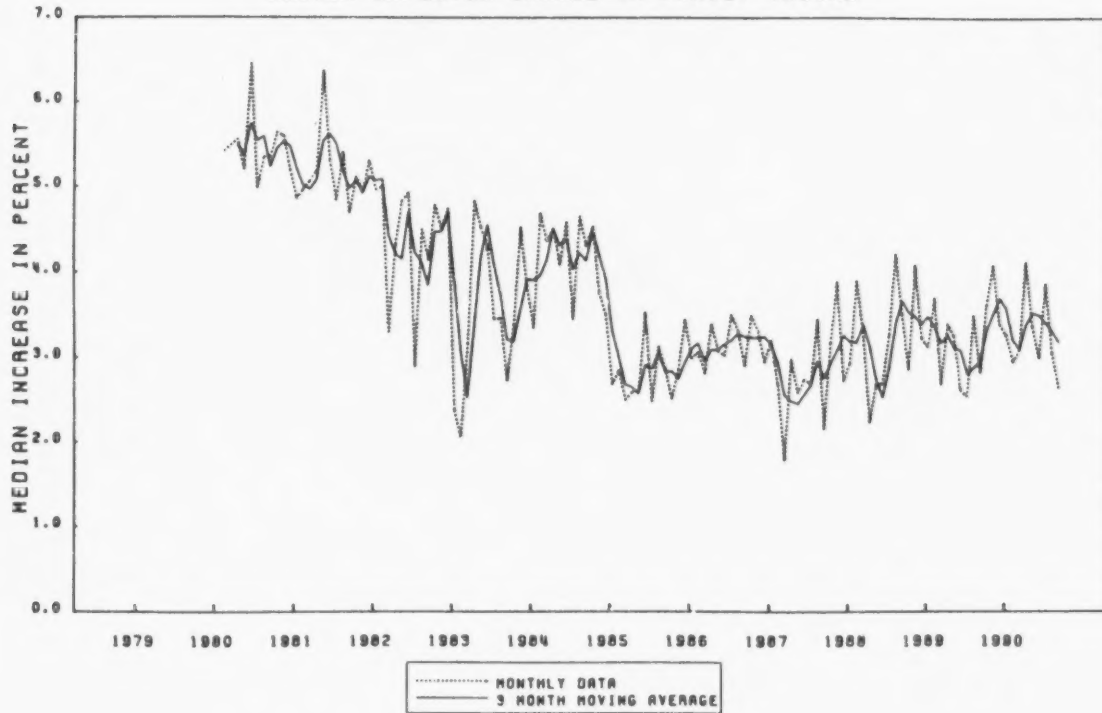


CHART 8 - HISTORICAL SERIES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME

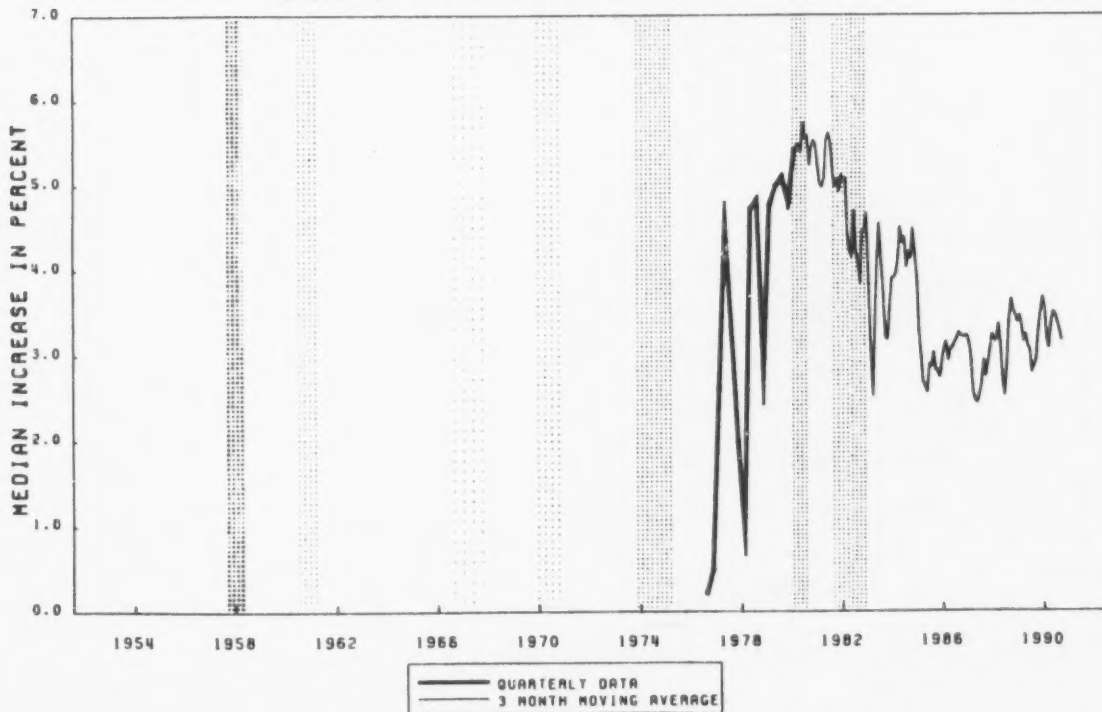


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990	Aug. 1990	Sept 1990
EXPECT INCREASE:													
1-4%	16%	15%	23%	16%	18%	17%	15%	15%	16%	17%	16%	17%	17%
5%	10	12	13	12	13	12	9	13	9	10	14	9	10
6-9%	7	7	7	8	7	6	9	7	8	9	8	10	8
10-24%	15	14	16	13	14	15	16	18	18	12	15	17	12
25% or more	5	9	7	7	5	5	4	8	7	9	8	6	6
DK how much up	5	4	6	5	5	3	5	4	5	3	3	2	4
EXPECT SAME	25	25	19	26	25	30	28	27	27	25	25	25	28
EXPECT DOWN	15	12	9	12	11	11	13	7	9	15	9	13	14
DK, NA	2	2	*	1	2	1	1	1	1	*	2	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	506	500	502	500	500	511	503	504	504	500	500	500	502

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

* : Less than half of one percent.

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

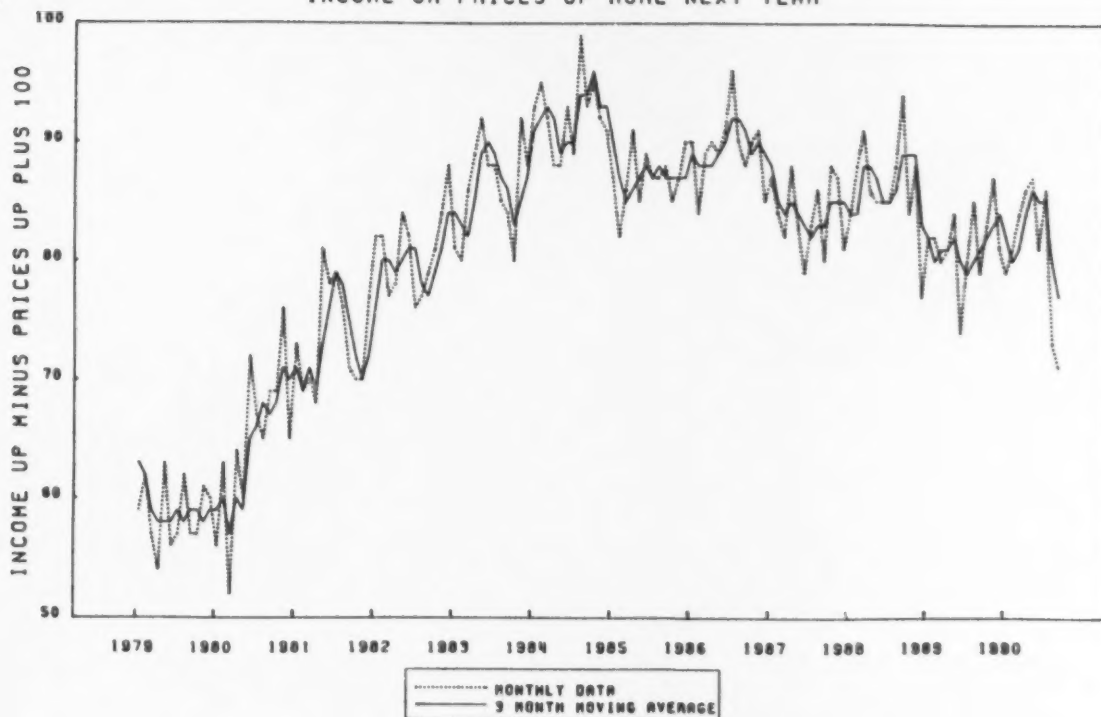


CHART 9 - HISTORICAL SERIES
INCOME OR PRICES UP MORE NEXT YEAR

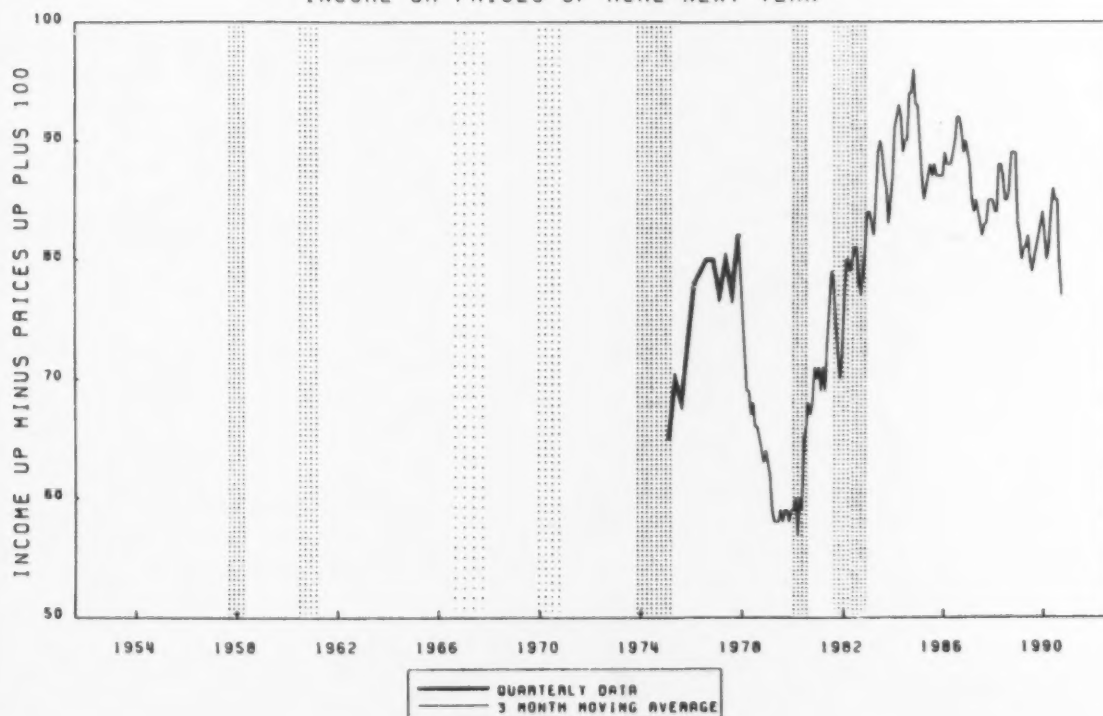


TABLE 9

EXPECTED CHANGE IN REAL FAMILY INCOME

	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990	Aug. 1990	Sept 1990
INCOME UP MORE	19%	20%	22%	21%	17%	17%	20%	21%	19%	18%	21%	18%	14%
INCOME UP SAME	39	41	42	36	42	44	42	42	48	44	42	37	42
PRICES UP MORE	40	37	35	40	38	36	36	35	32	37	35	45	43
DK, NA	2	2	1	3	3	3	2	2	1	1	2	*	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	506	500	502	500	500	511	503	504	504	500	500	500	502

The question was: "How about the next year or two—do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

* : Less than half of one percent.

CHART 10 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

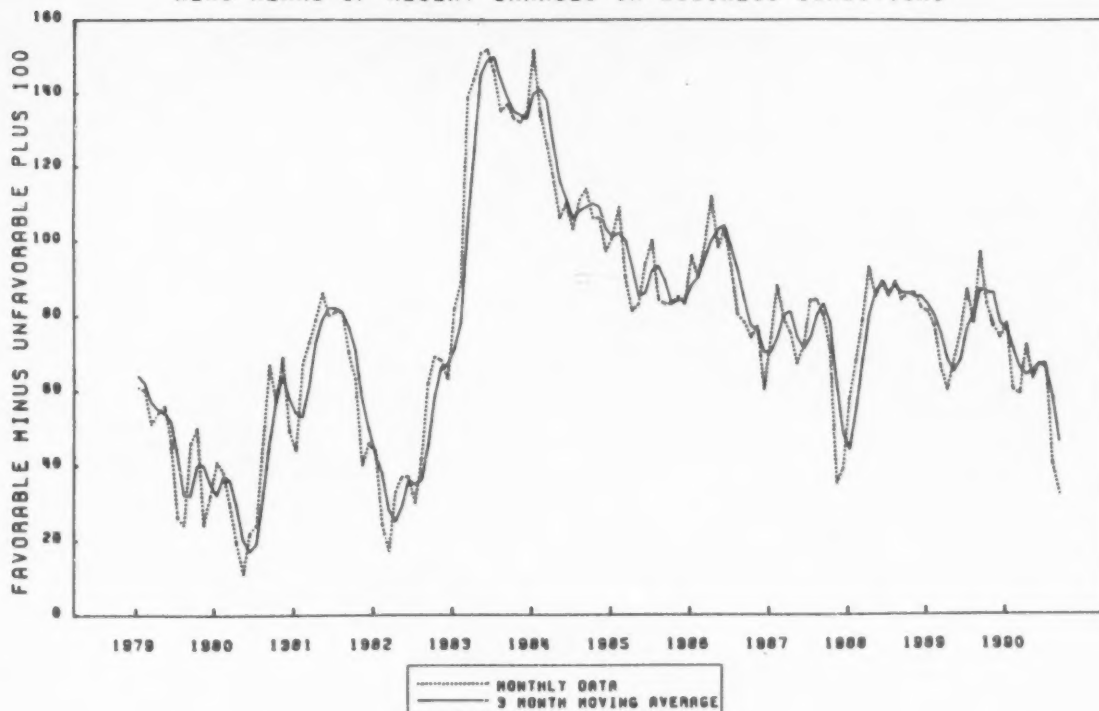


CHART 10 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

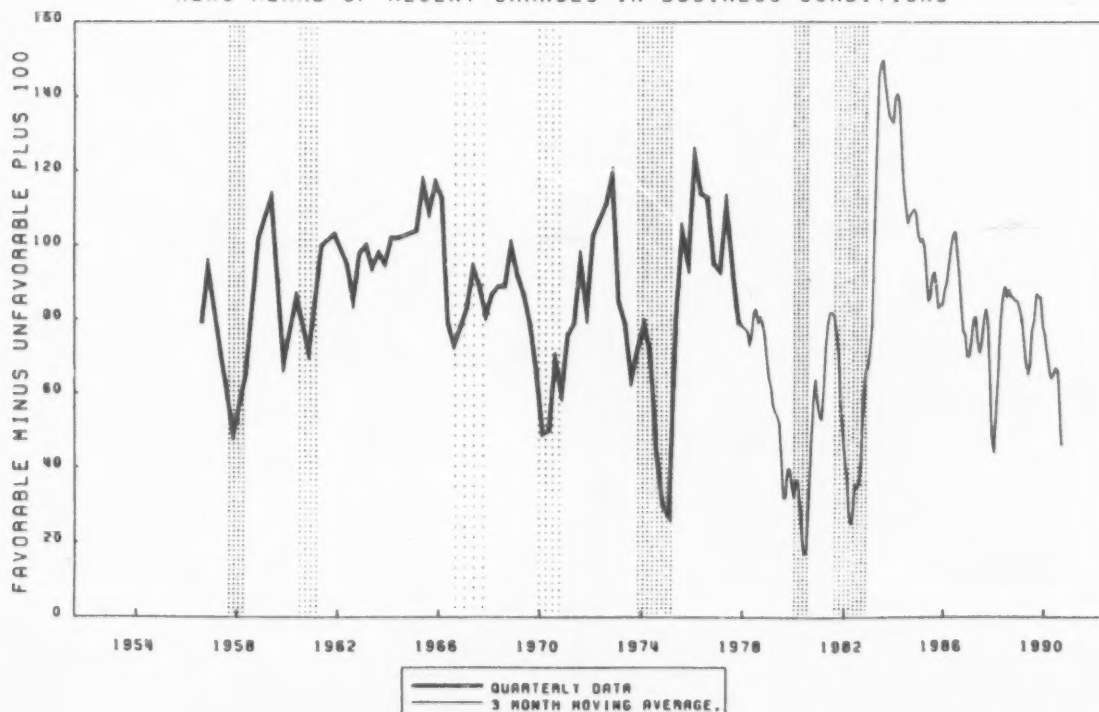


TABLE 10

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990	Aug. 1990	Sept 1990
FAVORABLE NEWS	29%	24%	22%	24%	26%	20%	21%	23%	18%	22%	18%	16%	10%
UNFAVORABLE NEWS	32	41	45	50	48	60	62	51	55	55	51	76	78
NO MENTIONS	56	52	52	50	49	44	43	49	50	48	54	39	44

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 11A - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

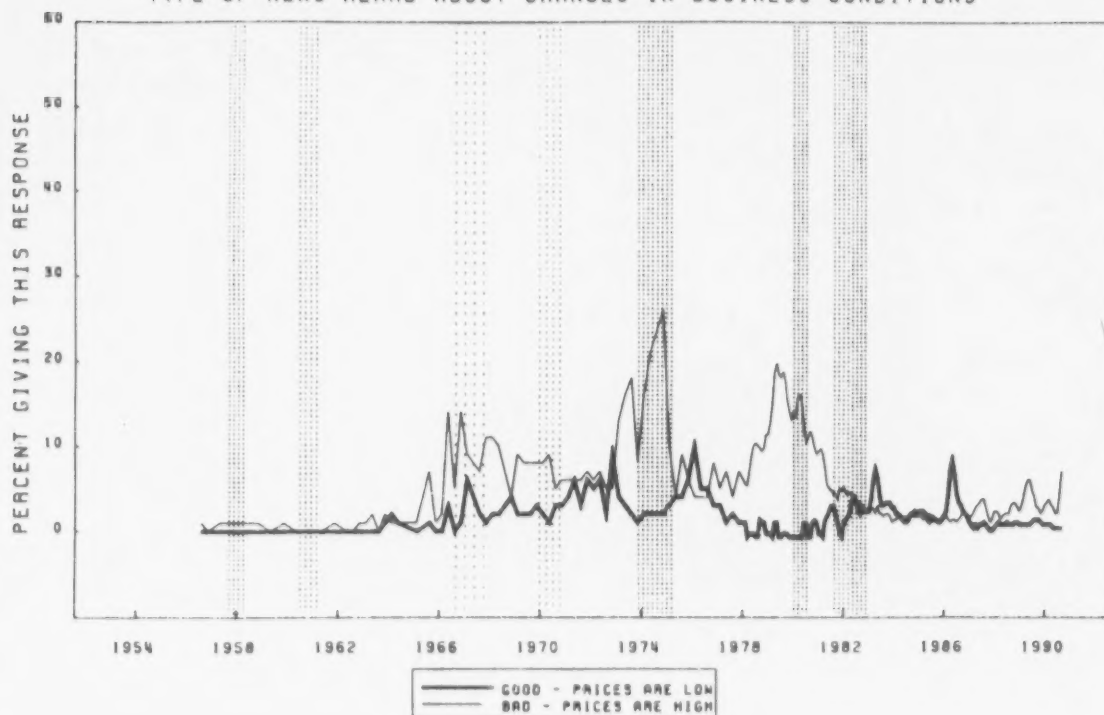


CHART 11B - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

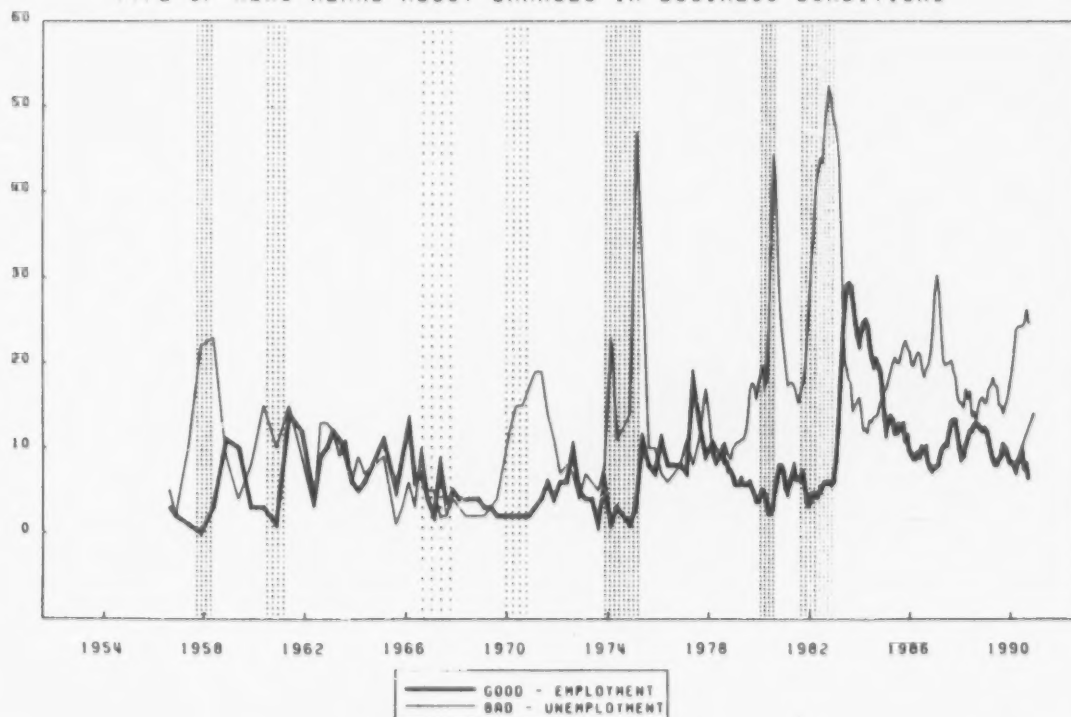


TABLE 11

SELECTED ITEMS OF
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990	Aug. 1990	Sept 1990
FAVORABLE NEWS:													
Government; elections	2%	1%	1%	3%	1%	2%	3%	1%	1%	2%	2%	1%	2%
Employment	12	9	7	9	9	6	7	12	8	9	6	9	4
Higher consumer demand	1	1	2	2	1	1	2	2	1	1	*	1	1
Lower prices	1	1	1	*	1	1	*	1	*	*	1	*	*
Easier credit	4	3	3	1	6	3	1	1	2	2	2	2	*
Stock market	3	2	2	2	2	1	1	1	1	2	2	*	*
Trade deficit	1	1	1	3	2	2	2	2	1	1	1	*	*
UNFAVORABLE NEWS:													
Government; elections	4	2	3	5	3	6	6	3	8	6	9	13	17
Unemployment	14	16	17	19	21	24	27	22	24	27	23	29	22
Lower consumer demand	2	2	5	6	5	6	6	6	3	6	3	5	5
Higher prices	2	2	2	3	4	3	4	2	2	2	2	9	10
Tighter credit	1	1	1	2	1	3	3	2	3	2	2	2	3
Energy crisis	*	*	*	*	*	*	*	1	*	1	*	2	4
Stock market	1	7	6	2	2	6	4	3	3	1	1	3	3
Trade deficit	2	2	2	5	2	3	4	5	2	3	2	1	1

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 12 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

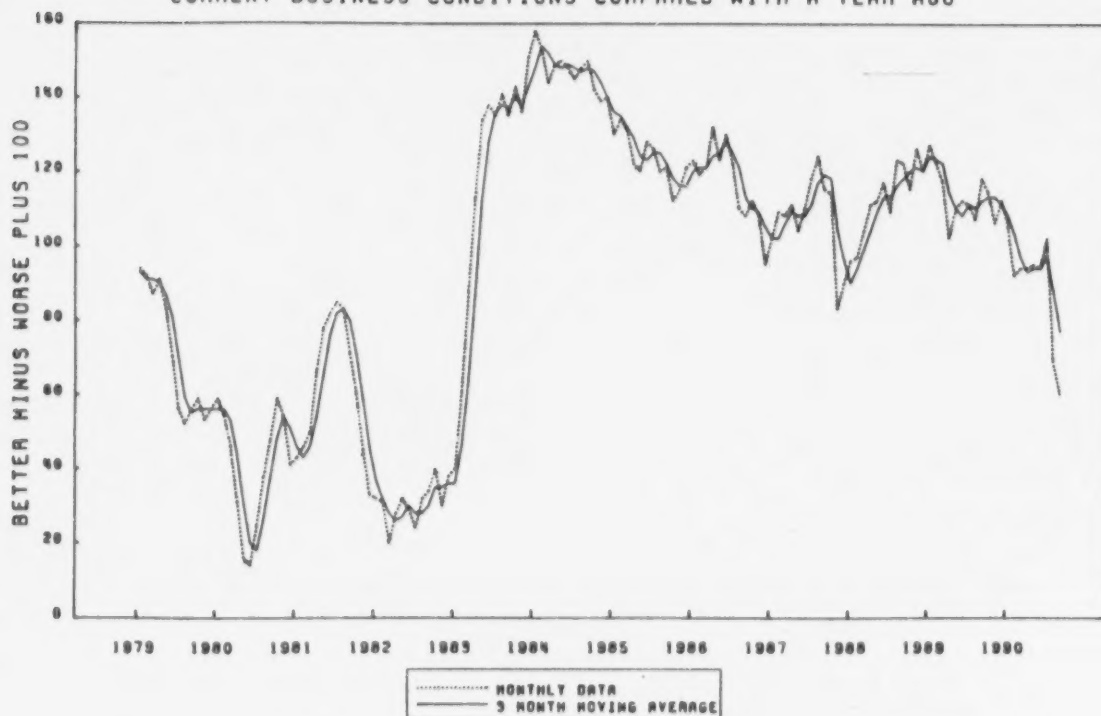


CHART 12 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

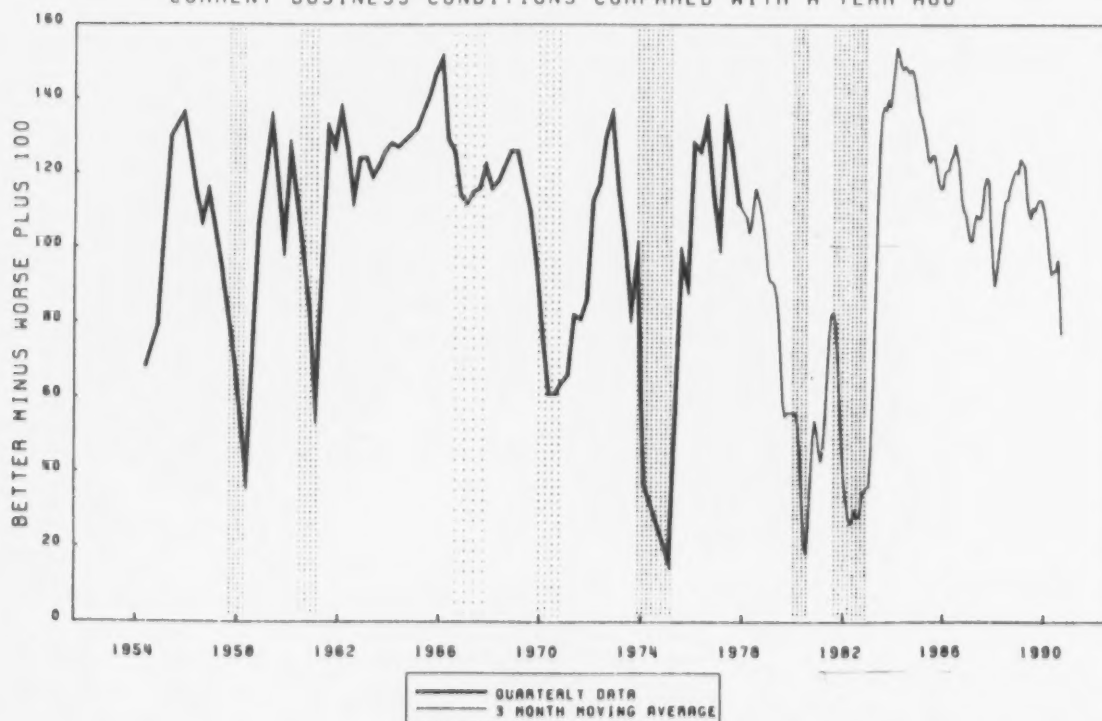


TABLE 12

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990	Aug. 1990	Sept 1990
BETTER NOW	48%	47%	42%	45%	43%	36%	36%	38%	35%	37%	41%	26%	22%
SAME	19	19	19	19	16	17	20	17	19	18	19	15	13
WORSE NOW	30	33	36	33	38	44	42	44	41	43	39	57	62
DK, NA	3	1	3	3	3	3	2	1	4	2	1	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	506	500	502	500	500	511	503	504	504	500	500	500	502

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 13 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR



CHART 13 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

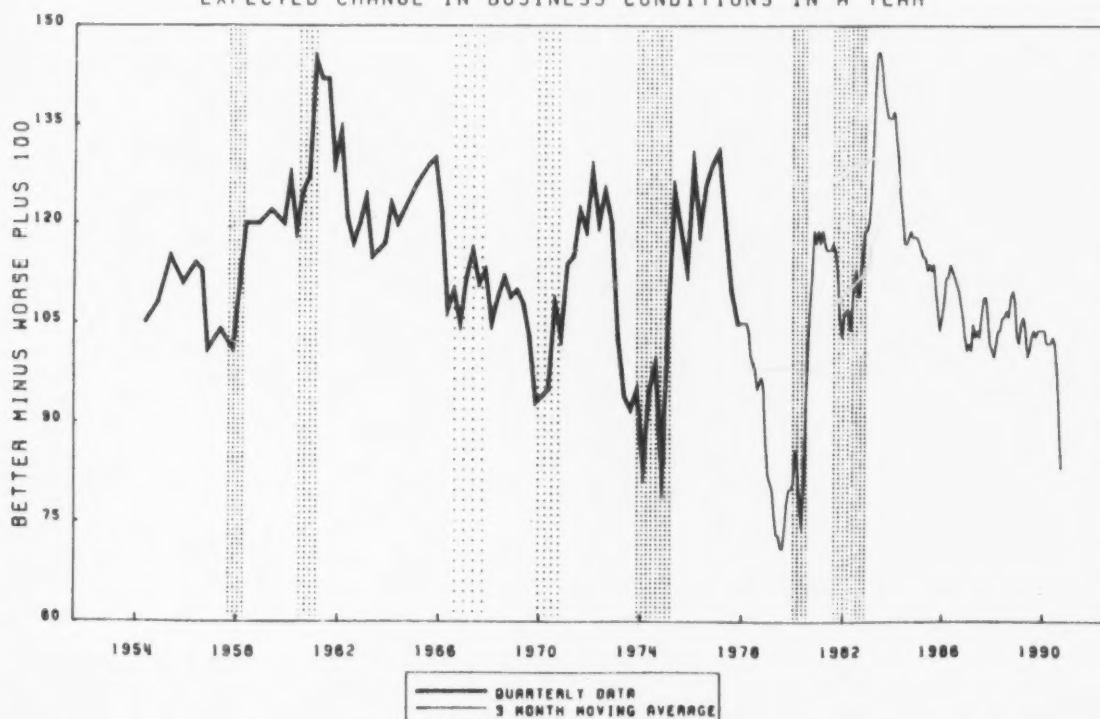


TABLE 13

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990	Aug. 1990	Sept 1990
BETTER	21%	22%	18%	24%	22%	19%	22%	24%	18%	20%	16%	13%	11%
SAME	59	61	61	55	59	56	58	58	59	58	63	52	50
WORSE	16	15	18	18	17	23	18	17	20	20	20	33	38
DK,NA	4	2	3	3	2	2	2	1	3	2	1	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	506	500	502	500	500	511	503	504	504	500	500	500	502

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

CHART 14 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS



CHART 14 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

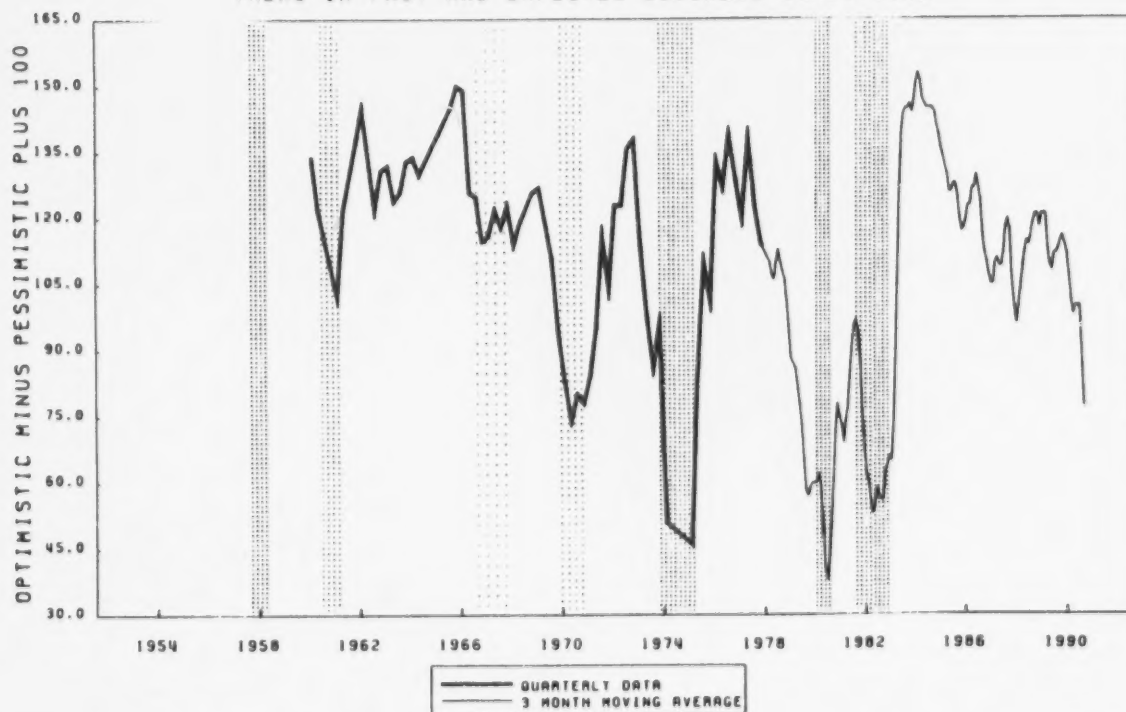


TABLE 14

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990	Aug. 1990	Sept 1990
TREND:													
Continuous increase (a)	14%	15%	10%	15%	14%	11%	10%	13%	8%	11%	8%	5%	3%
Intermittant increase(b)	34	33	32	29	29	25	27	25	28	27	31	17	16
Remain unchanged (c)	12	13	13	13	12	10	12	12	12	11	12	9	9
Intermittant decline(d)	18	19	21	16	20	26	26	25	23	25	25	30	27
Continuous decline (e)	10	11	12	12	13	16	11	12	14	14	12	24	31
Mixed change (f)	6	5	6	10	8	8	10	11	9	9	9	11	10
DK,NA	6	4	6	5	4	4	4	2	6	3	3	4	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	506	500	502	500	500	511	503	504	504	500	500	500	502

Combination of the responses to the questions on Tables 12 and 13.

Key: (a) Better than a year ago/Better a year from now
 (b) Better/Same or Same/Better
 (c) Same/Same
 (d) Worse/Same or Same/Worse
 (e) Worse/Worse
 (f) Worse/Better or Better/Worse

CHART 15 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS



CHART 15 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

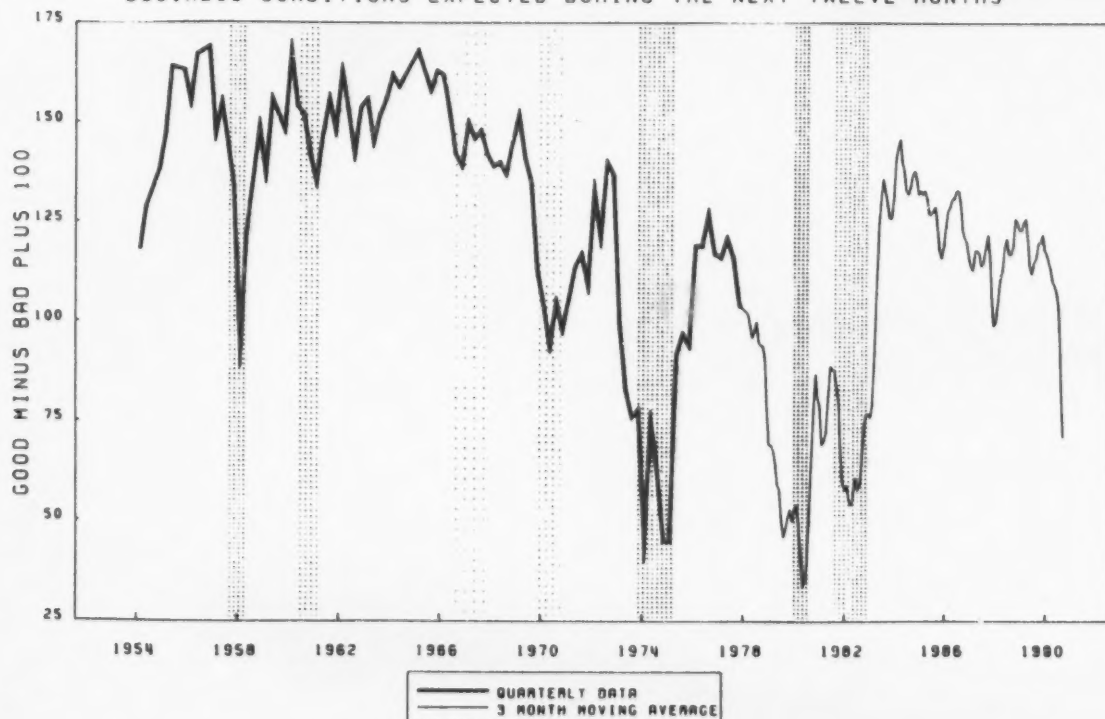


TABLE 15

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990	Aug. 1990	Sept 1990
GOOD TIMES	55%	53%	50%	49%	52%	46%	48%	49%	47%	43%	40%	25%	18%
UNCERTAIN; GOOD & BAD	4	5	4	2	3	6	3	4	4	3	6	2	3
BAD TIMES	28	29	34	34	33	35	40	39	37	43	42	63	65
DON'T KNOW	6	8	7	7	6	7	5	4	6	5	7	5	8
NOT ASCERTAINED	7	5	5	8	6	6	4	4	6	6	5	5	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	506	500	502	500	500	511	503	504	504	500	500	500	502

The question was: "Now turning to business conditions in the country as a whole—do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 16 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

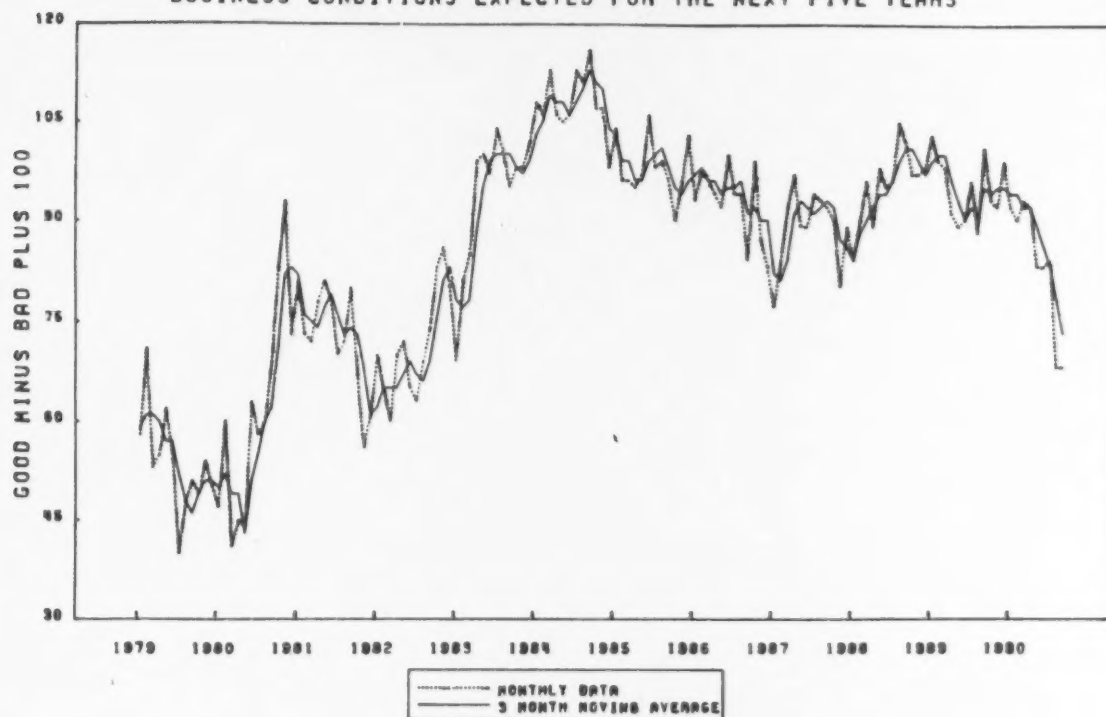


CHART 16 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

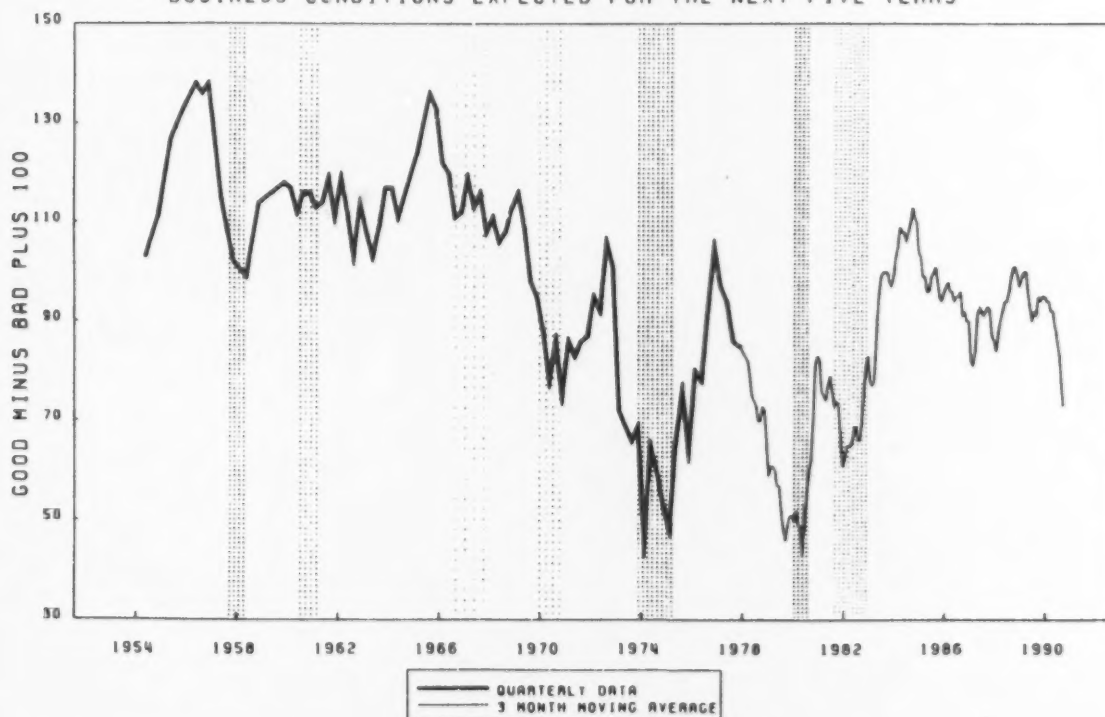


TABLE 16

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990	Aug. 1990	Sept 1990
GOOD TIMES	41%	36%	38%	39%	37%	36%	40%	39%	32%	31%	34%	24%	25%
UNCERTAIN; GOOD & BAD	13	14	13	15	12	11	10	11	12	12	11	14	14
BAD TIMES	40	43	46	40	45	46	47	47	49	48	50	56	57
NOT ASCERTAINED	6	7	3	6	6	7	3	3	7	9	5	6	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	506	500	502	500	500	511	503	504	504	500	500	500	502

The question was: "Looking ahead, which would you say is more likely—that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 17 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT



CHART 17 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

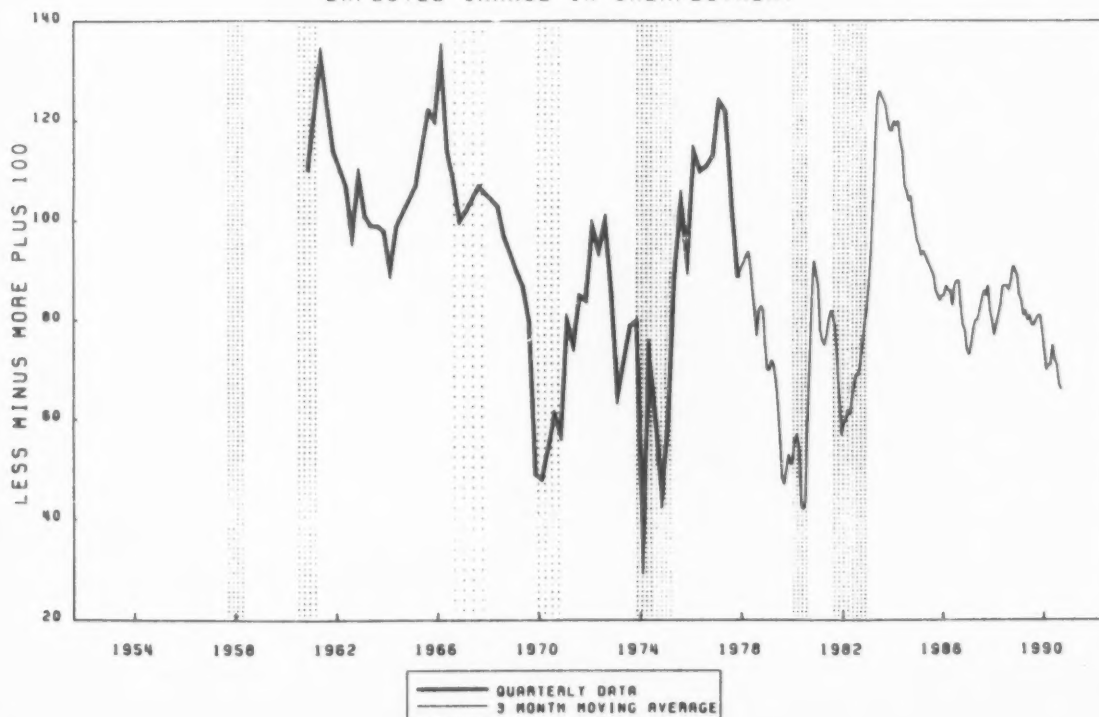


TABLE 17

EXPECTED CHANGE IN UNEMPLOYMENT

	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990	Aug. 1990	Sept 1990
LESS	11%	14%	10%	11%	10%	7%	10%	11%	10%	8%	7%	9%	9%
SAME	61	55	54	51	52	48	55	52	52	52	54	44	45
MORE	26	30	35	37	36	44	34	36	37	39	37	46	44
DK,NA	2	1	1	1	2	1	1	1	1	1	2	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	506	500	502	500	500	511	503	504	504	500	500	500	502

The question was: "How about people out of work during the coming 12 months—do you think that there will be more unemployment than now, about the same, or less?"

CHART 18 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

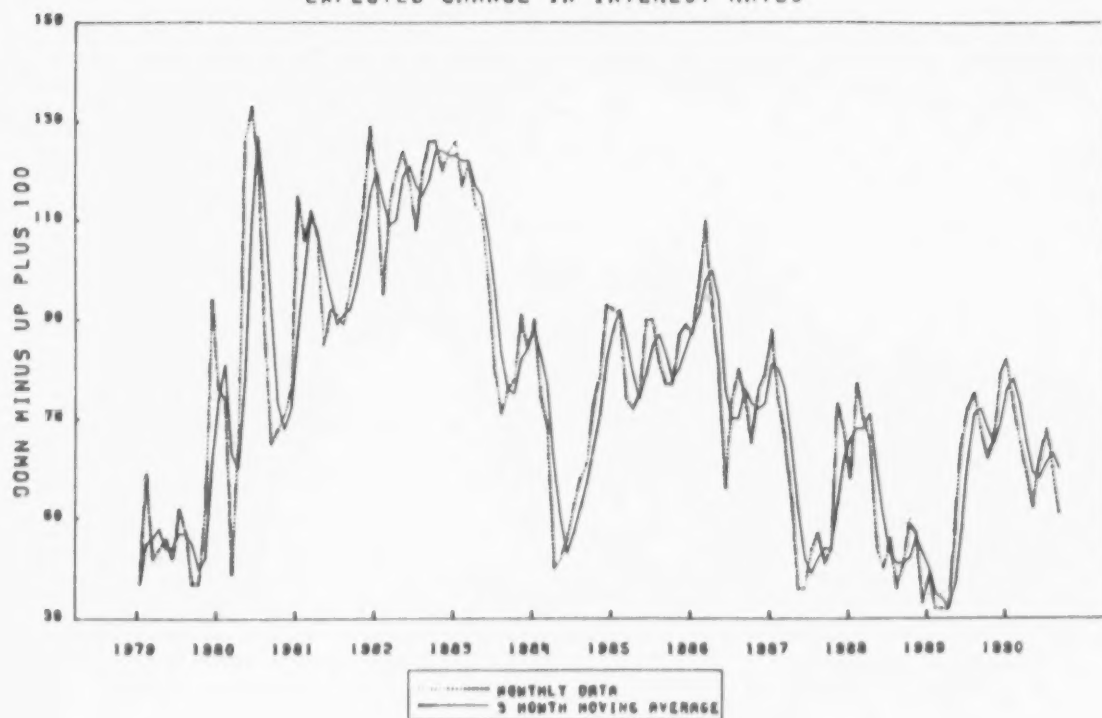


CHART 18 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

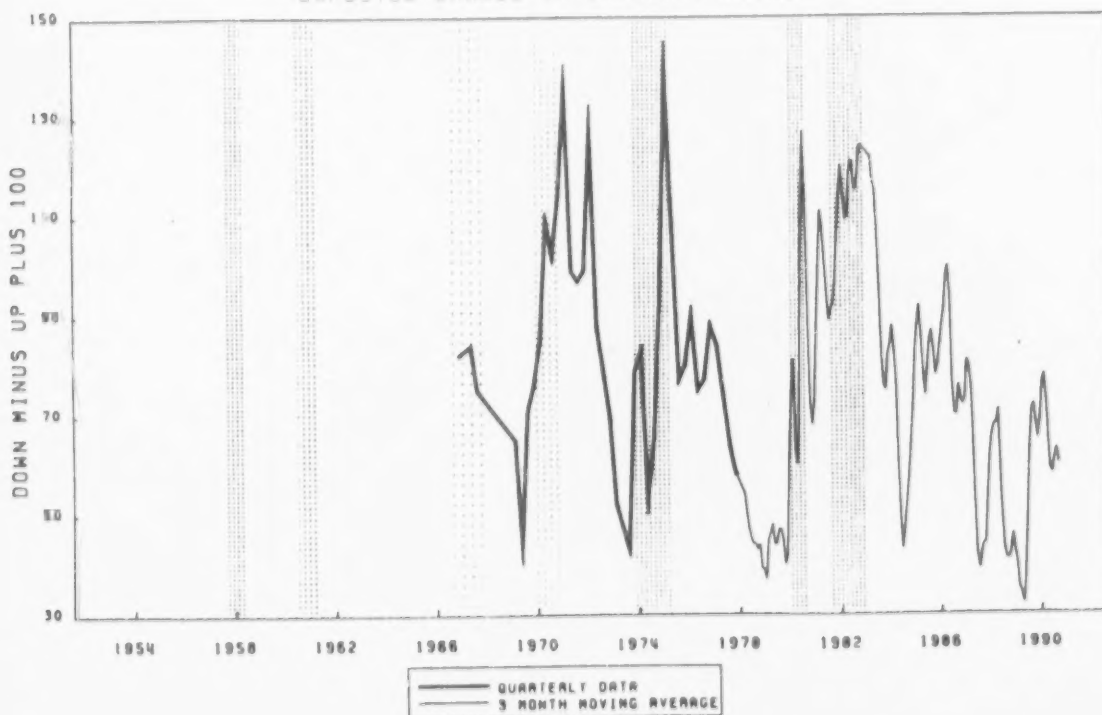


TABLE 18

EXPECTED CHANGE IN INTEREST RATES

	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990	Aug. 1990	Sept 1990
GO UP	50%	55%	52%	46%	45%	48%	51%	55%	58%	56%	50%	59%	63%
STAY THE SAME	30	26	27	26	26	29	32	29	30	23	29	20	21
GO DOWN	18	17	18	25	27	20	16	14	10	18	18	19	14
DK,NA	2	2	3	3	2	3	1	2	2	3	3	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	506	500	502	500	500	511	503	504	504	500	500	500	502

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months—will they go up, stay the same, or go down?"

CHART 19 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS



CHART 19 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

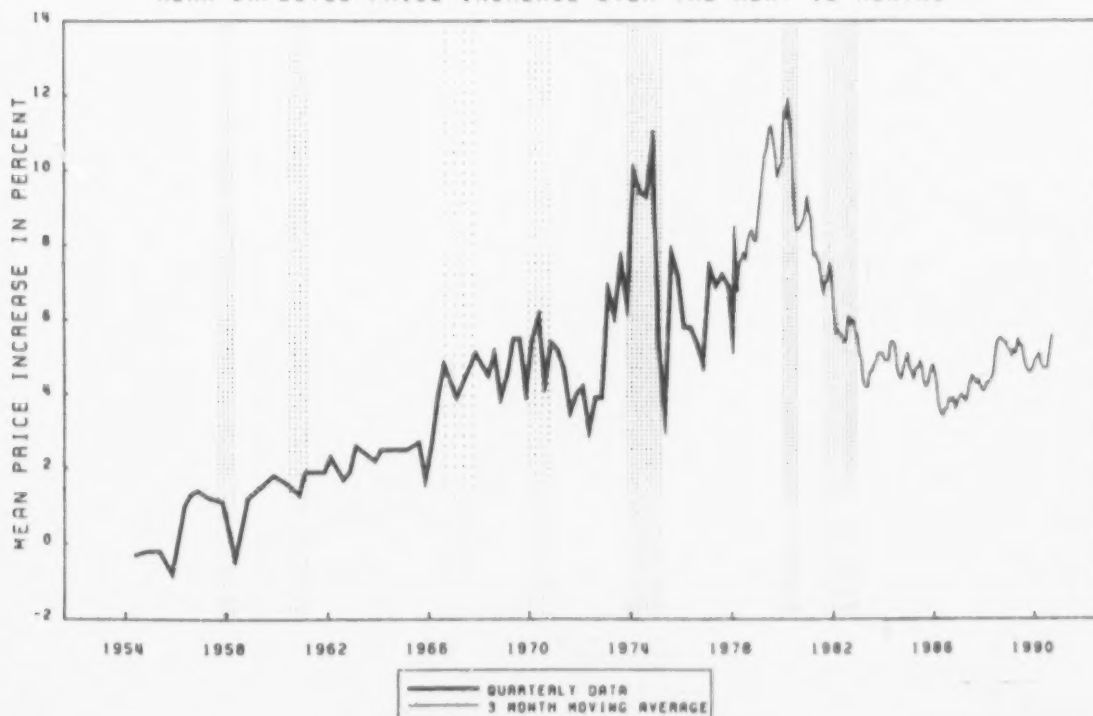


TABLE 19

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990	Aug. 1990	Sept 1990
SAME OR DOWN	13%	12%	12%	10%	11%	15%	11%	11%	11%	11%	11%	9%	9%
WILL GO UP BY:													
1-2%	21	19	17	21	14	13	18	20	19	18	20	14	15
3-4%	24	23	26	21	24	23	24	24	22	25	24	23	19
5%	21	19	19	23	21	22	20	22	22	24	20	18	21
6-9%	6	9	7	10	8	10	8	7	9	7	6	13	13
10-14%	6	8	8	5	10	8	8	7	8	7	10	11	11
15% or more	3	3	4	5	5	4	5	4	3	4	3	8	7
DK how much up	5	5	6	5	5	5	6	5	6	3	6	4	5
DK, NA	1	2	1	*	2	*	*	*	*	1	*	*	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	4.4	4.7	4.7	4.6	5.4	5.1	4.9	4.5	4.6	4.9	4.7	6.1	5.9
VARIANCE	32	32	31	28	49	45	38	26	30	37	29	48	46
CASES	506	500	502	500	500	511	503	504	504	500	500	500	502

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 20 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

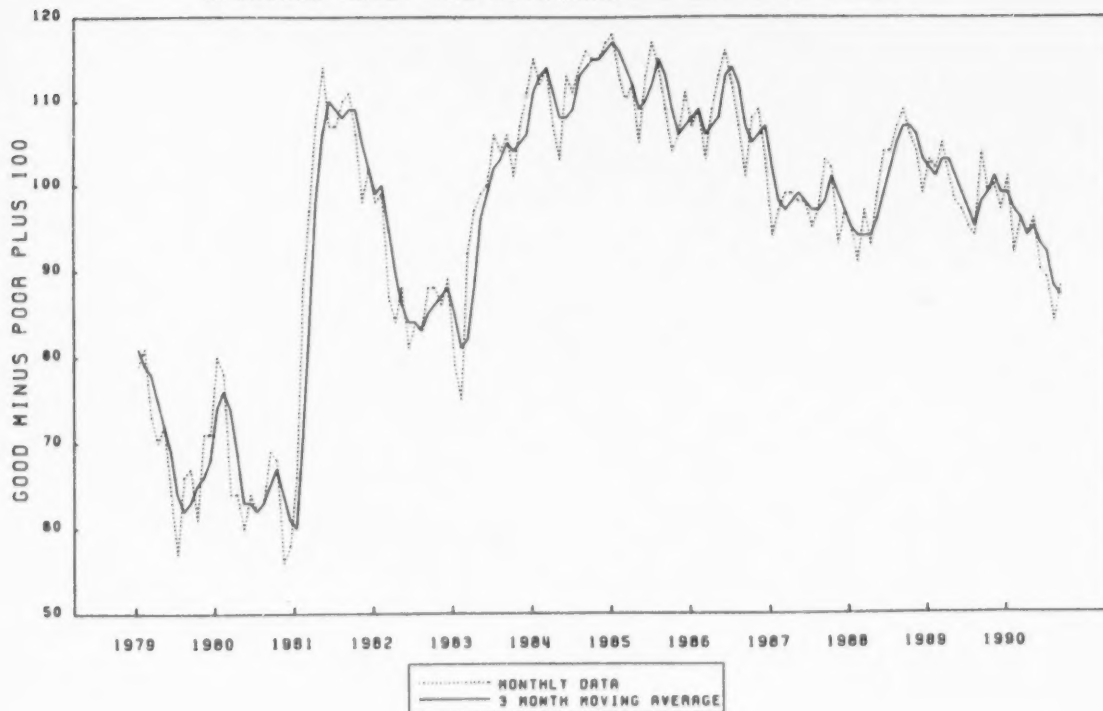


CHART 20 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

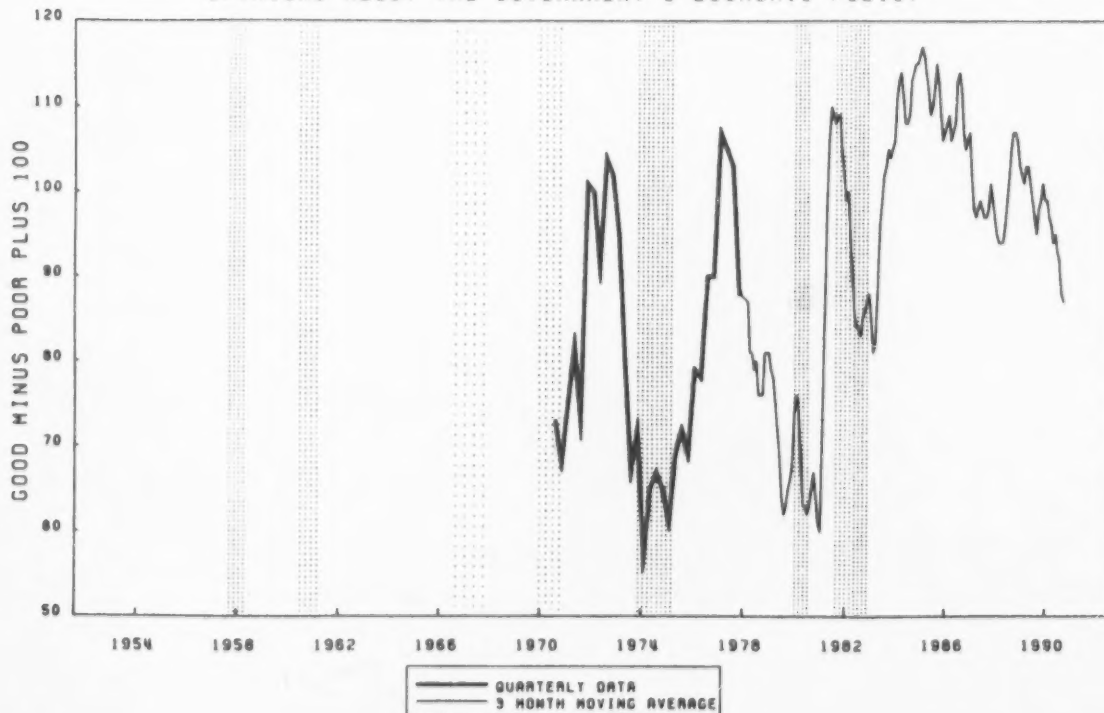


TABLE 20

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990	Aug. 1990	Sept 1990
A GOOD JOB	21%	18%	17%	20%	18%	17%	19%	17%	19%	16%	16%	15%	14%
ONLY FAIR	60	61	64	55	63	57	56	59	55	56	56	52	59
A POOR JOB	17	19	17	23	17	25	23	23	23	26	27	31	26
DK,NA	2	2	2	2	2	1	2	1	3	2	1	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	506	500	502	500	500	511	503	504	504	500	500	500	502

The question was: "As to the economic policy of the government—I mean steps taken to fight inflation or unemployment—would you say the government is doing a good job, only fair, or a poor job?"

CHART 21 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

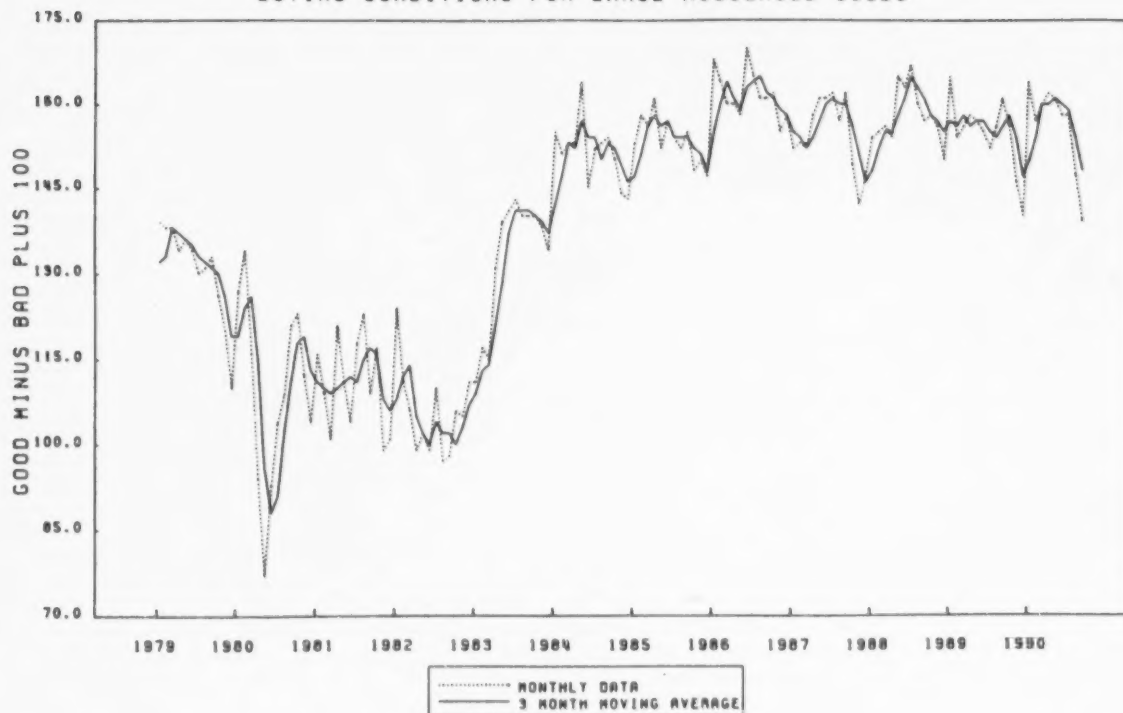


CHART 21 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

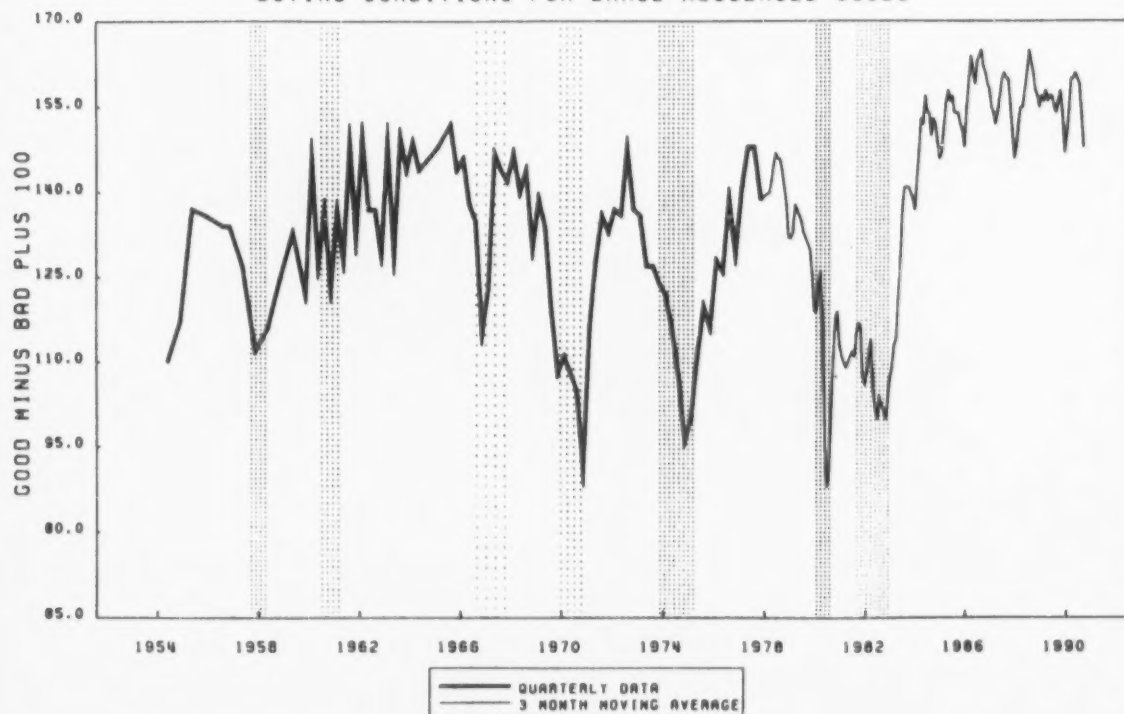


TABLE 21

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990	Aug. 1990	Sept 1990
GOOD TIME TO BUY	75%	73%	67%	65%	77%	74%	76%	78%	75%	75%	73%	69%	66%
UNCERTAIN, DEPENDS	11	10	12	10	10	9	8	6	11	8	12	9	7
BAD TIME TO BUY	14	17	21	25	13	17	16	16	14	17	15	22	27
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	506	500	502	500	500	511	503	504	504	500	500	500	502

The question was: "About the big things people buy for their homes—such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 22A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

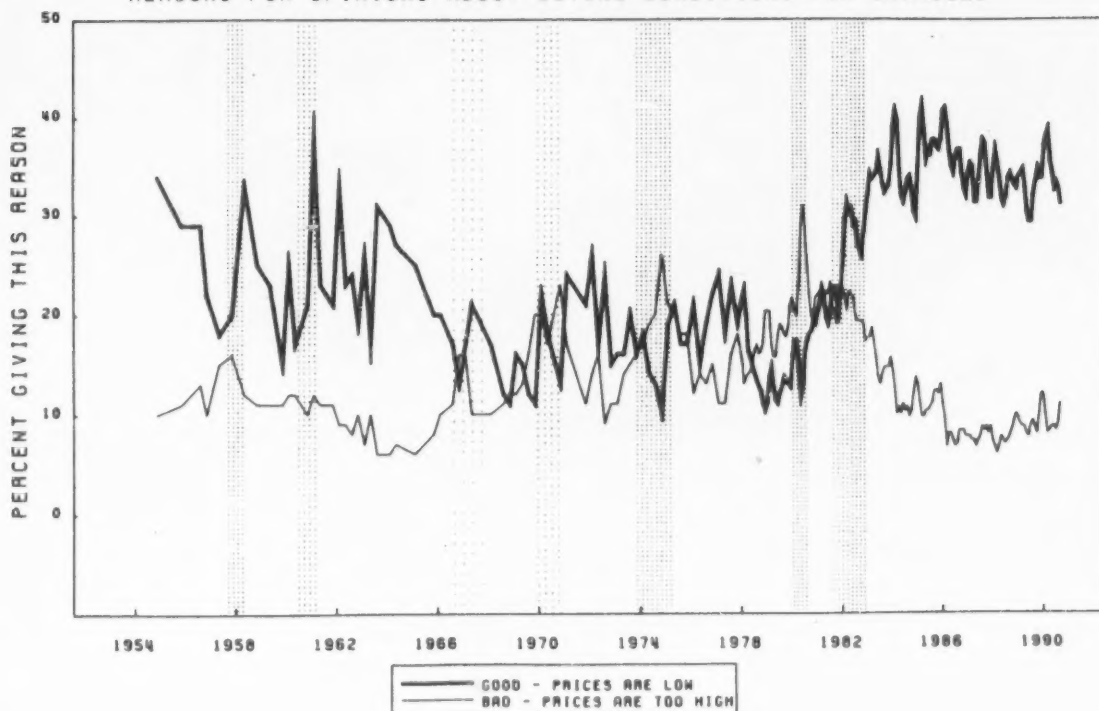


CHART 22B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

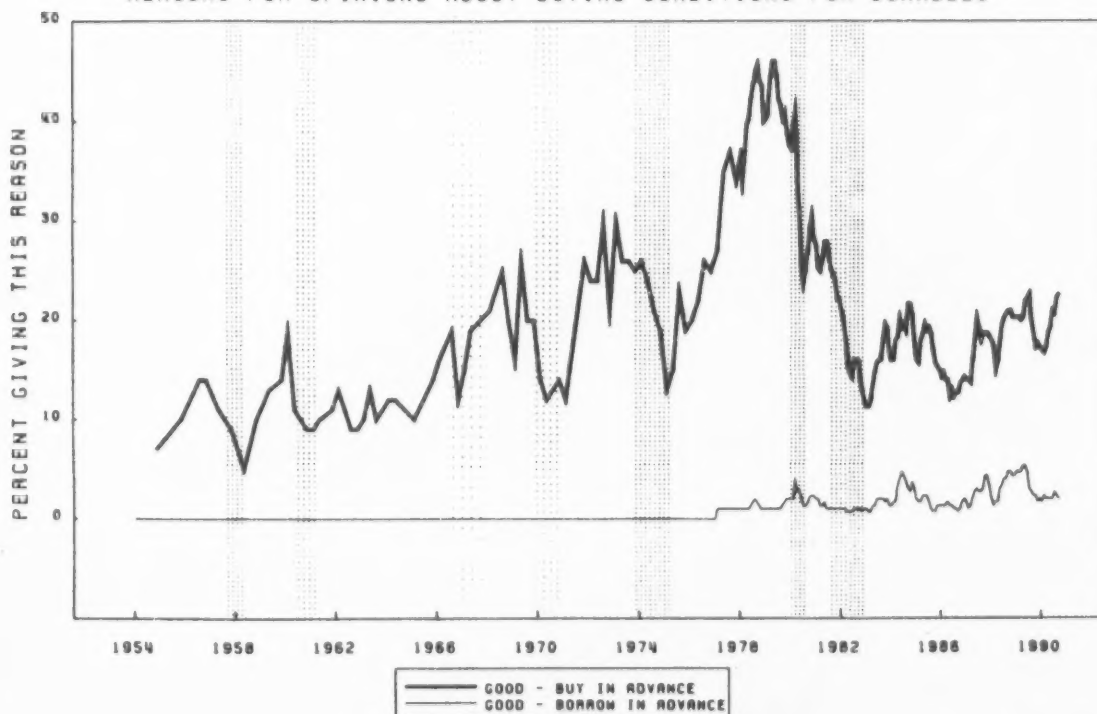


TABLE 22

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +
 Sept Oct. Nov. Dec. Jan. Feb. Mar. Apr. May June July Aug. Sept
 1989 1989 1989 1989 1990 1990 1990 1990 1990 1990 1990 1990 1990

GOOD TIME TO BUY:

Prices are low; good buys available	34%	35%	32%	34%	45%	35%	36%	35%	32%	31%	37%	30%	26%
Prices won't come down; are going higher	17	19	17	16	18	16	18	22	18	23	21	23	24
Interest rates are low	7	5	7	5	5	5	8	5	5	6	3	5	3
Borrow-in-advance of rising interest rates	2	2	1	3	1	3	2	1	3	2	3	2	1
Times are good; prosperity	8	6	4	3	4	4	8	4	5	4	3	3	2

BAD TIME TO BUY:

Prices are high	7	8	14	14	8	8	8	9	9	8	8	11	14
Interest rates are high; credit is tight	2	3	3	4	2	3	3	2	5	3	3	2	5
Times are bad; can't afford to buy	4	4	5	5	2	6	5	4	2	5	3	5	7
Bad times ahead; uncertain future	2	2	1	3	2	2	3	1	3	2	3	7	8

Responses to the query: "Why do you say so?" following the question on Table 21.
 + : May add to more than 100% due to multiple mentions.

CHART 22C - HISTORICAL SERIES
 REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

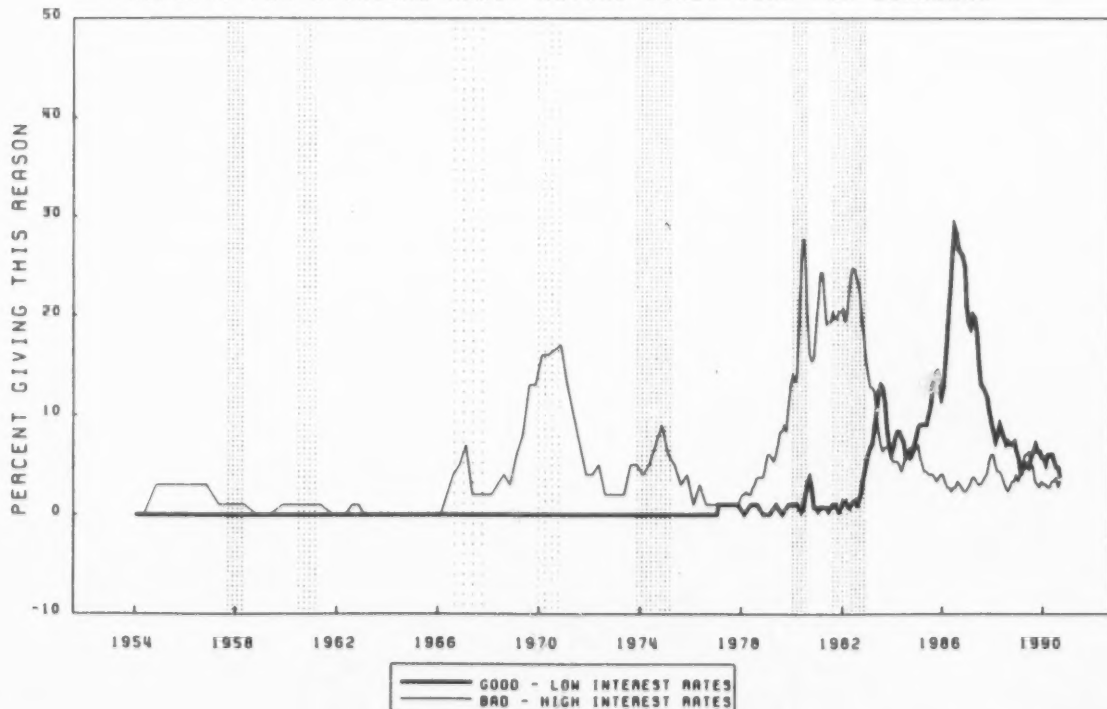


CHART 23 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

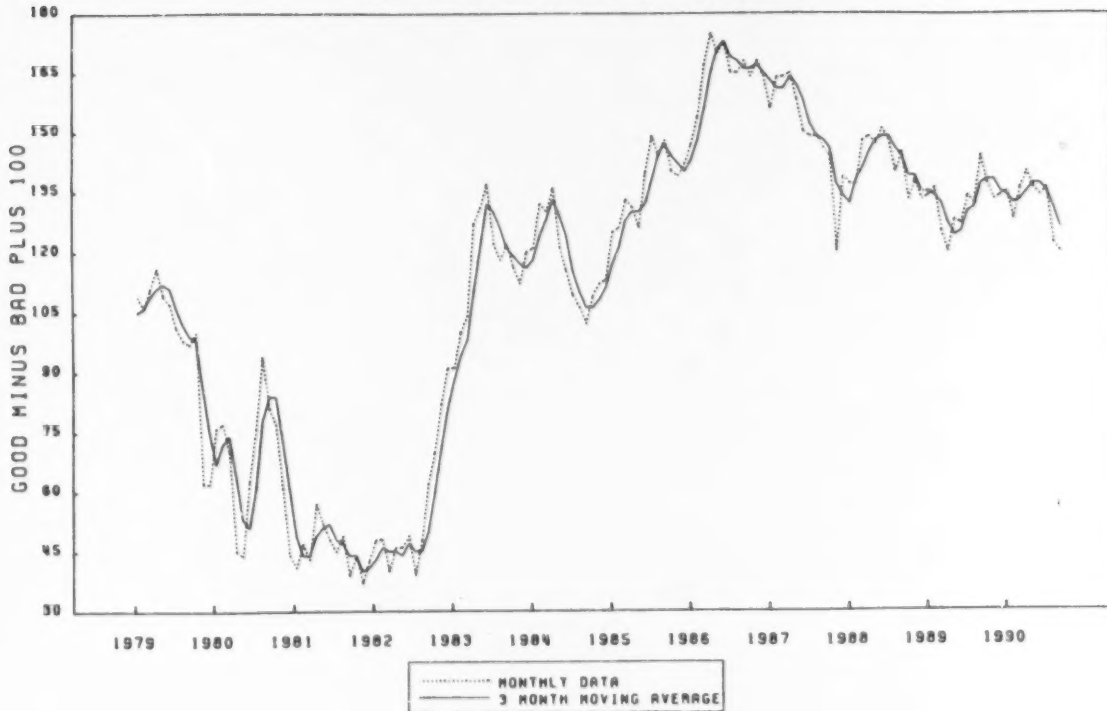


CHART 23 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

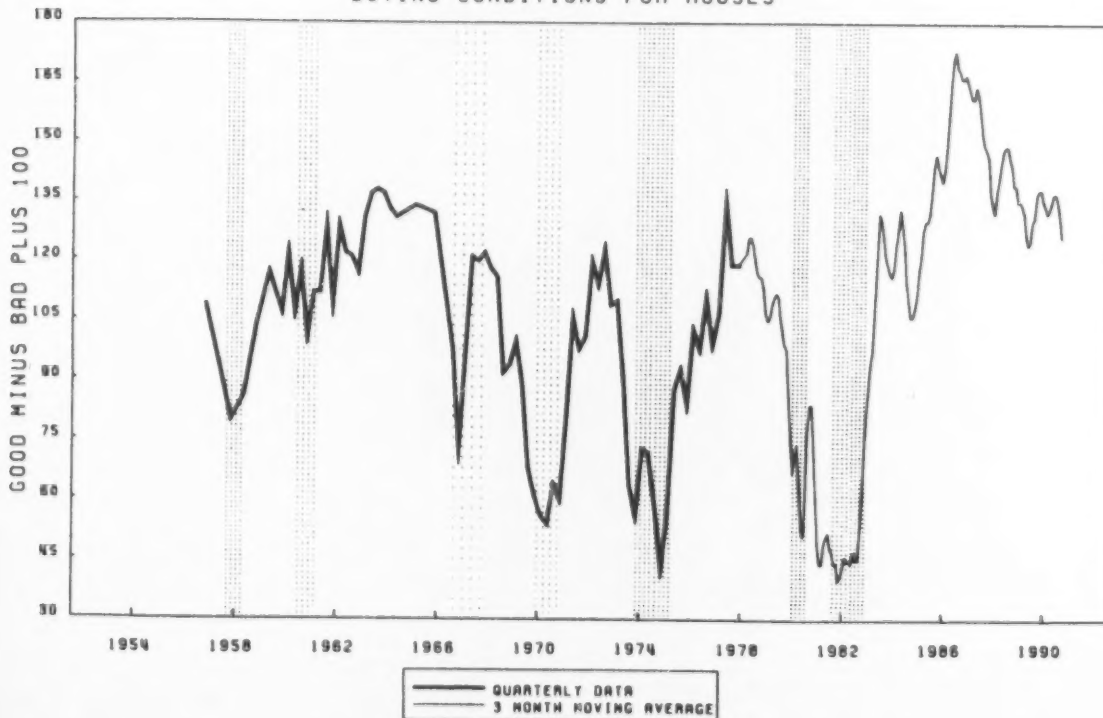


TABLE 23

BUYING CONDITIONS FOR HOUSES

	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990	Aug. 1990	Sept 1990
GOOD TIME TO BUY	70%	66%	63%	64%	64%	62%	66%	68%	66%	65%	66%	59%	58%
UNCERTAIN, DEPENDS	4	5	7	6	7	4	4	4	4	4	4	4	4
BAD TIME TO BUY	26	29	30	30	29	34	30	28	30	31	30	37	38
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	506	500	502	500	500	511	503	504	504	500	500	500	502

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 24A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

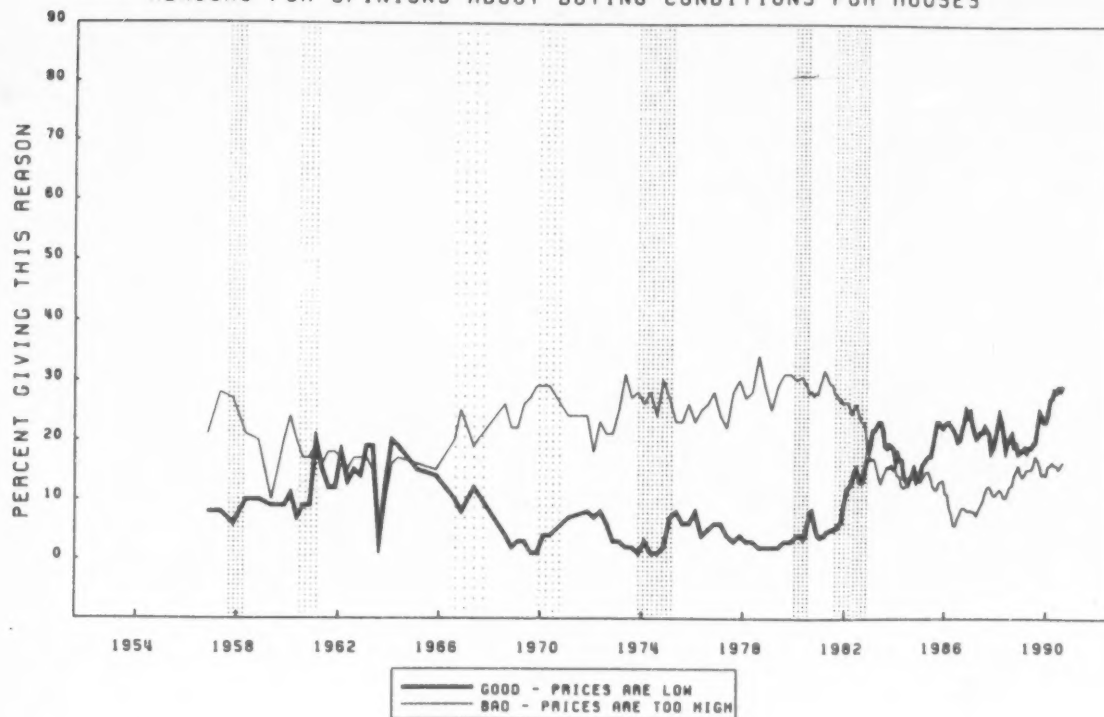


CHART 24B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

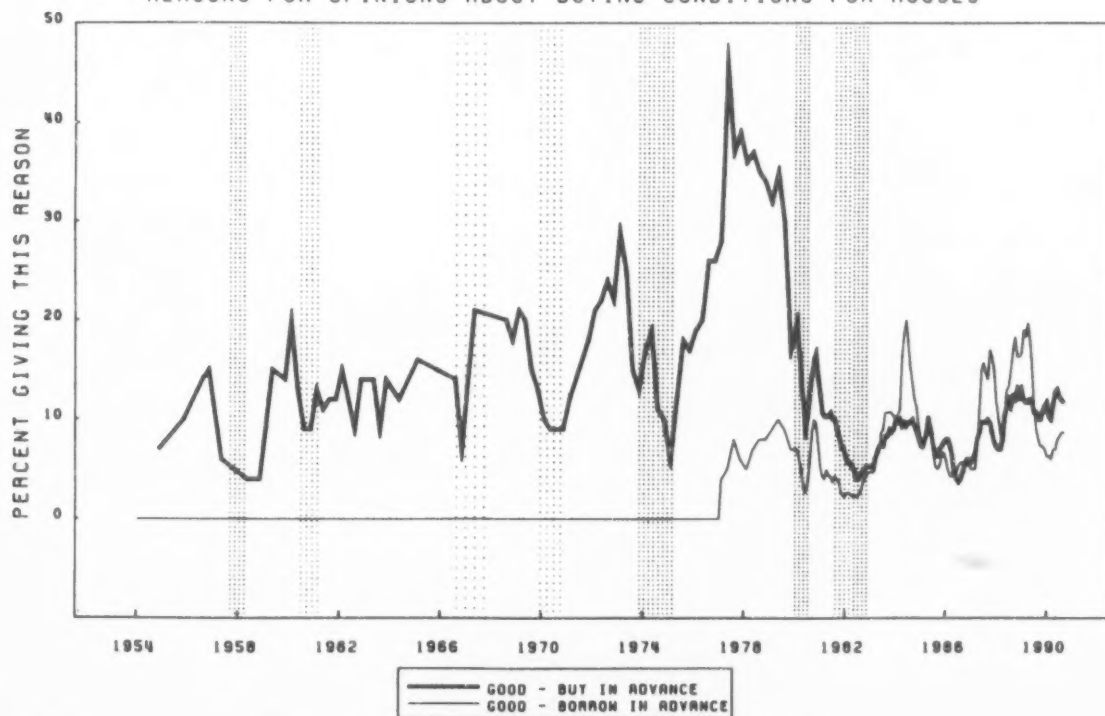


TABLE 24
SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990	Aug. 1990	Sept 1990
GOOD TIME TO BUY:													
Prices are low; good buys available	25%	26%	21%	22%	26%	25%	29%	27%	29%	28%	29%	28%	30%
Prices won't come down; are going higher	10	9	13	12	10	9	11	14	13	12	12	12	11
Interest rates are low	36	29	29	26	31	25	28	25	17	24	24	21	15
Borrow-in-advance of rising interest rates	8	6	8	7	4	8	6	7	8	9	8	9	9
Good investment	7	6	8	8	8	6	6	9	7	9	6	5	7
Times are good; prosperity	4	5	2	3	2	3	4	5	4	1	2	2	1
BAD TIME TO BUY:													
Prices are high	14	15	13	15	14	18	15	16	16	15	14	18	17
Interest rates are high; credit is tight	14	13	15	17	13	18	18	14	14	19	19	20	22
Times are bad; can't afford to buy	6	6	8	6	6	8	5	7	6	4	4	8	7
Bad times ahead; uncertain future	2	1	2	3	4	2	4	1	2	5	1	6	4

Responses to the query: "Why do you say so?" following the question on Table 23.
+ : May add to more than 100% due to multiple mentions.

CHART 24C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

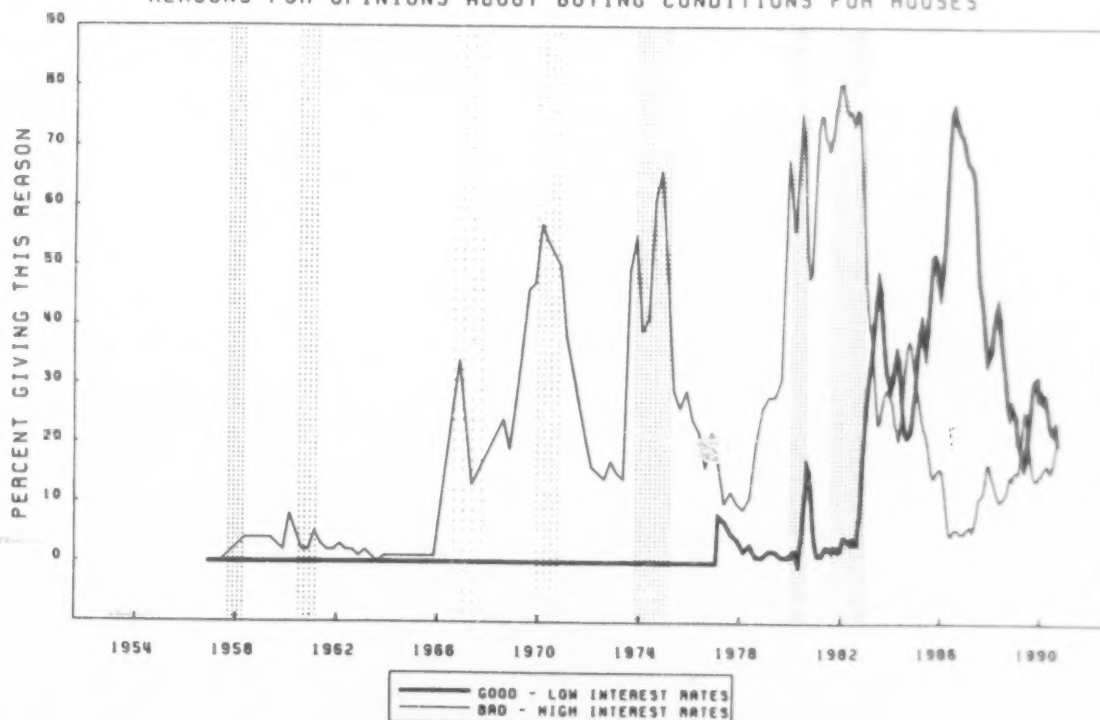


CHART 25 - RECENT CHANGES
BUYING CONDITIONS FOR CARS



CHART 25 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

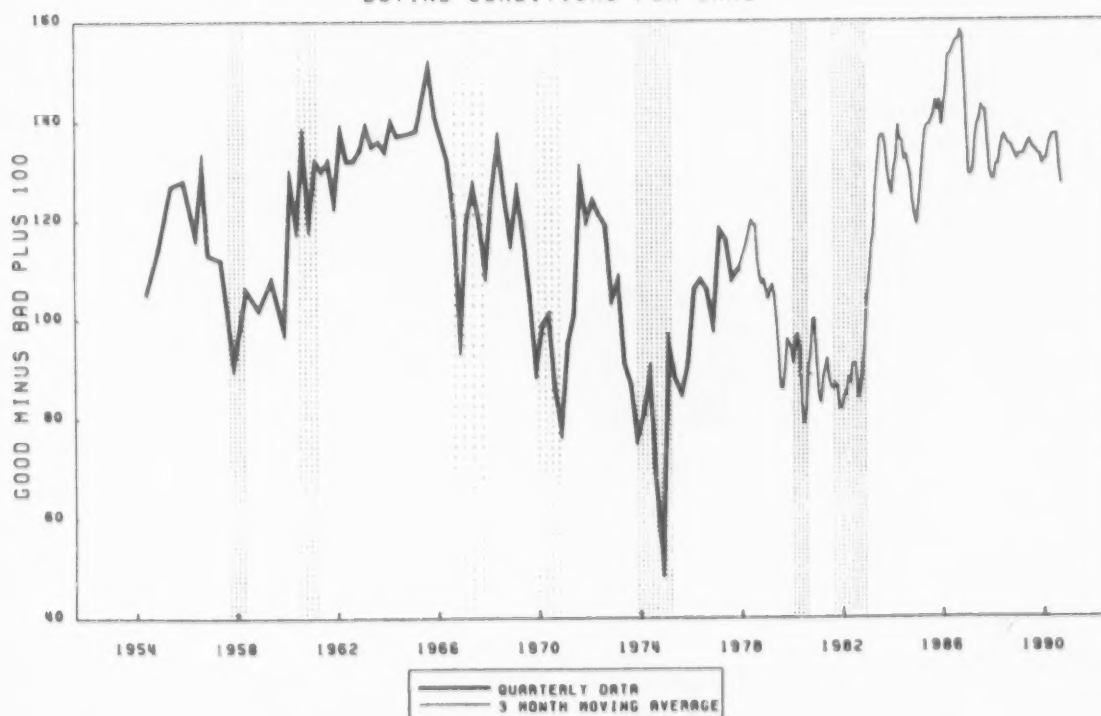


TABLE 25

BUYING CONDITIONS FOR CARS

	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990	Aug. 1990	Sept 1990
GOOD TIME TO BUY	61%	62%	62%	58%	63%	63%	65%	66%	64%	63%	65%	57%	59%
UNCERTAIN; DEPENDS	9	10	10	10	11	6	6	7	9	8	9	5	4
BAD TIME TO BUY	30	28	28	32	26	31	29	27	27	29	26	38	37
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	506	500	502	500	500	511	503	504	504	500	500	500	502

The question was: "Speaking now of the automobile market—do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 26B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

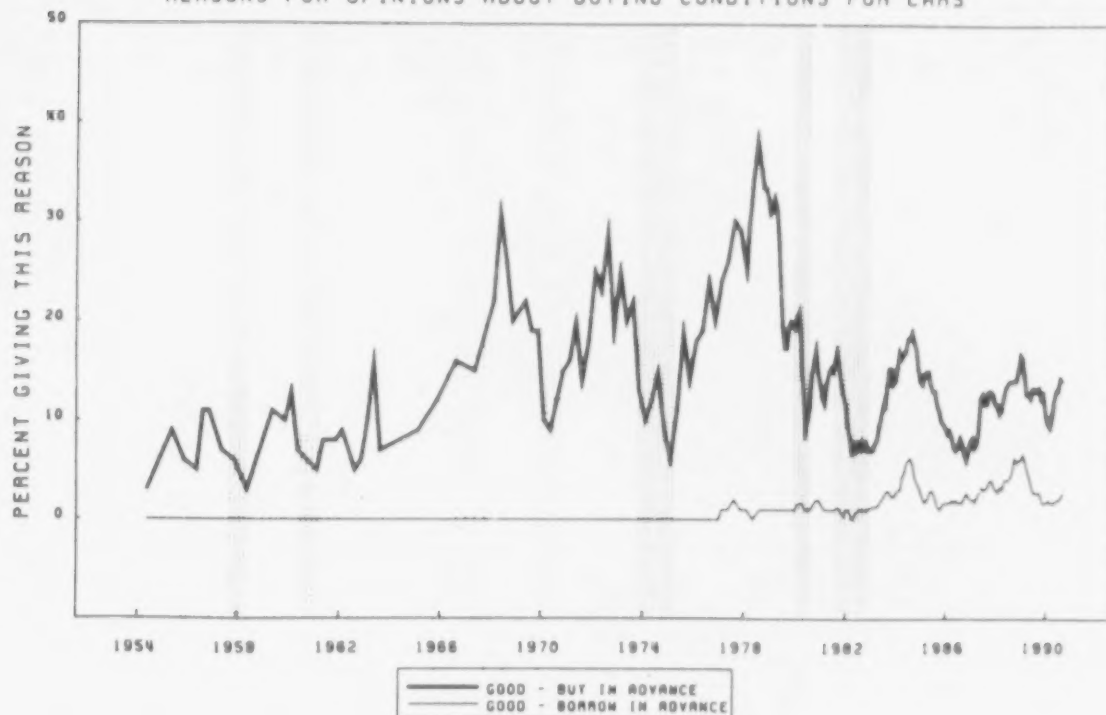


CHART 26A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

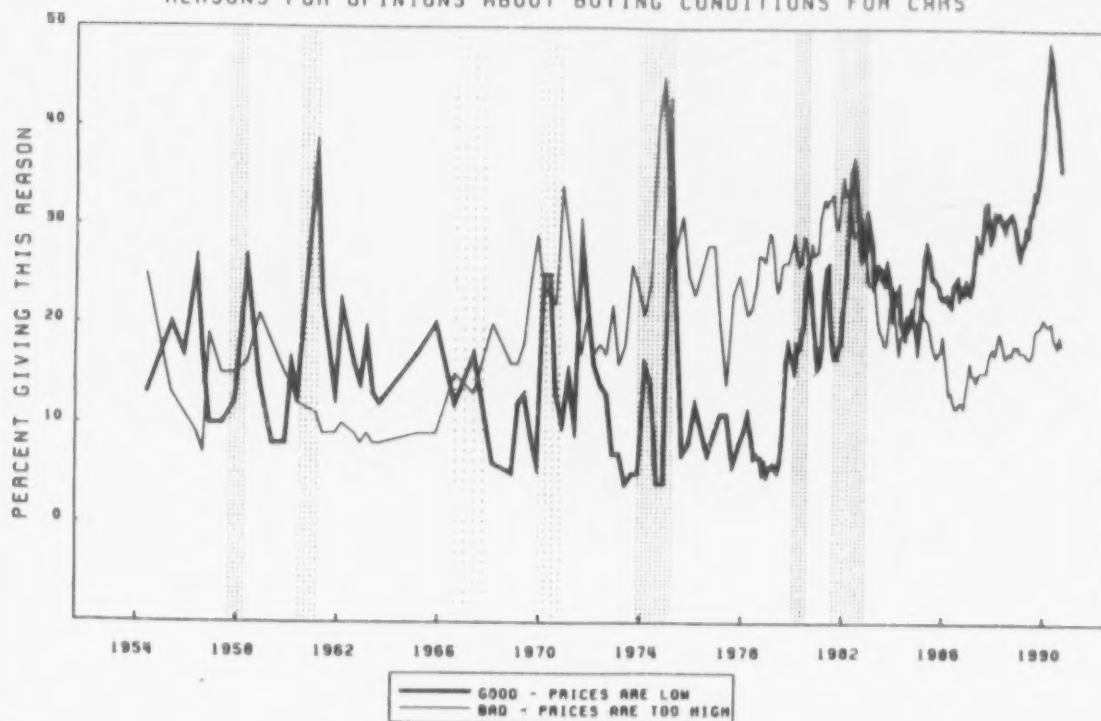
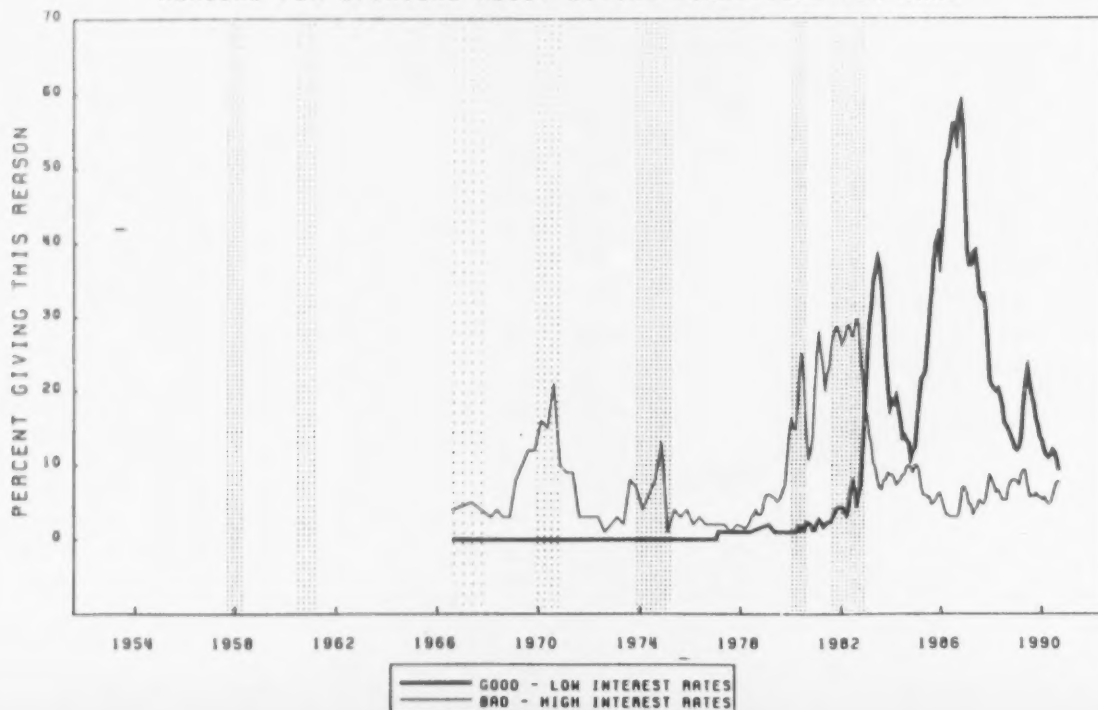


TABLE 26
SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	Sept 1989	Oct. 1989	Nov. 1989	Dec. 1989	Jan. 1990	Feb. 1990	Mar. 1990	Apr. 1990	May 1990	June 1990	July 1990	Aug. 1990	Sept 1990
GOOD TIME TO BUY:													
Prices are low; good buys available	32%	36%	41%	38%	48%	48%	48%	45%	41%	41%	41%	32%	34%
Prices won't come down; are going higher	10	16	11	11	10	8	10	13	12	14	13	16	13
Interest rates are low	18	13	15	13	12	11	11	11	12	13	10	9	9
Borrow-in-advance of rising interest rates	2	2	1	2	2	2	1	2	2	2	2	3	3
Times are good; prosperity	4	3	2	1	2	2	2	2	1	2	2	1	1
New fuel efficient models	1	*	*	*	*	*	1	1	1	*	*	1	4
BAD TIME TO BUY:													
Prices are high	19	18	23	21	17	22	21	18	17	20	16	21	17
Interest rates are high; credit is tight	6	6	5	6	5	6	4	4	7	7	7	9	7
Times are bad; can't afford to buy	5	4	4	4	2	4	4	4	2	3	5	3	4
Bad times ahead; uncertain future	1	2	1	1	2	2	2	2	2	3	1	6	5
Price of gas; shortages	*	*	*	*	*	*	*	*	*	1	*	5	10
Poor selection; quality	3	2	3	4	3	3	4	2	3	4	3	3	3

Responses to the query: "Why do you say so?" following the question on Table 25.
+: May add to more than 100% due to multiple mentions. *: Less than half of one percent.

CHART 26C - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS



EXPLANATORY CHARTS

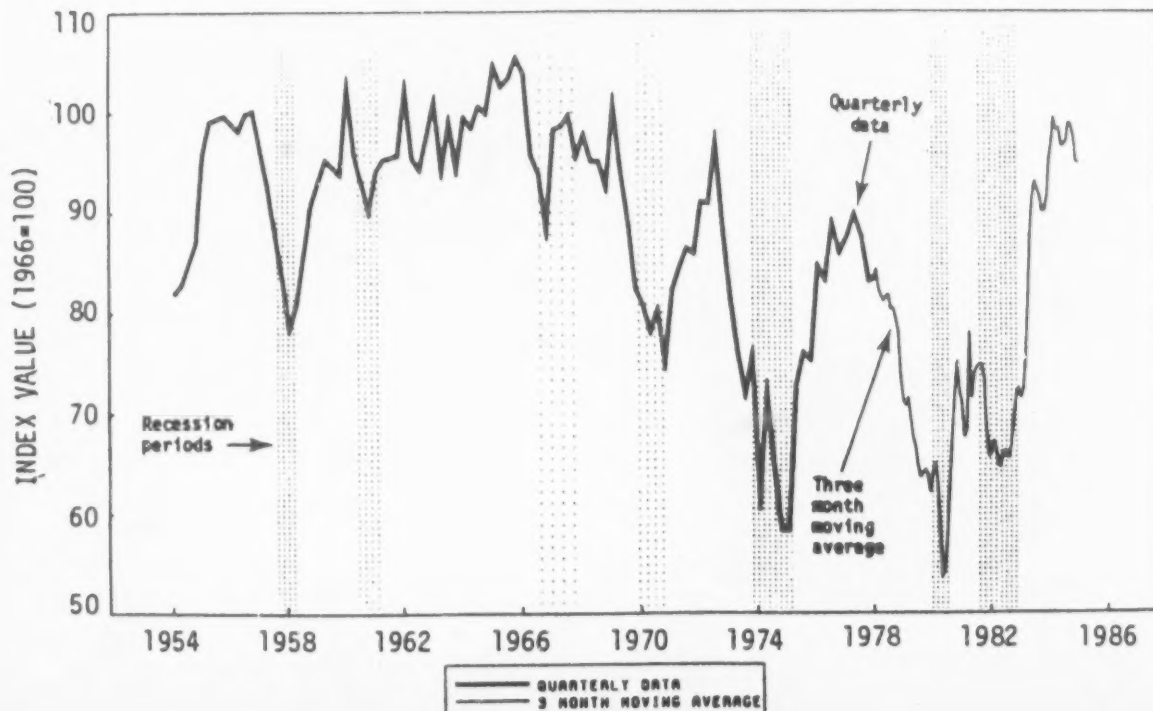
CHART 1 - RECENT CHANGES

THE INDEX OF CONSUMER SENTIMENT



CHART 1 - HISTORICAL SERIES

THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHARTS

DATA POINTS

QUARTERLY DATA: Data collected by surveys conducted at three month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

**THREE-MONTH
MOVING AVERAGE:** Each point plotted represents the average of the three monthly observations ending at the date plotted.

TIME SCALE

Each tic mark on the time scale represents the month of January for the indicated year.

RECESSION PERIODS

November	1948 - October	1949
July	1953 - May	1954
August	1957 - April	1958
April	1960 - February	1961
June	1966 - November	1967*
December	1969 - November	1970
November	1973 - March	1975
January	1980 - July	1980
July	1981 - November	1982

Recession dates are determined by the National Bureau of Economic Research.

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters

***GROWTH RECESSION:** Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

RECOMMENDED ALLOWANCE FOR SAMPLING ERROR OF A PERCENTAGE
(Sampling Error Allowance in Percentage Points¹)

For Estimated Percentage Near	Number of Interviews											
	100	200	300	400	500	750	1000	1250	1500	2000	2500	3000
1% or 99%	2.2	1.6	1.3	1.1	1.0	0.8	0.7	0.6	0.6	0.5	0.4	0.4
5% or 95%	4.9	3.5	2.8	2.4	2.2	1.8	1.5	1.4	1.3	1.1	1.0	0.9
10% or 90%	6.7	4.8	3.9	3.4	3.0	2.4	2.1	1.9	1.7	1.5	1.3	1.2
20% or 80%	9.0	6.3	5.2	4.5	4.0	3.3	2.8	2.5	2.3	2.0	1.8	1.6
30% or 70%	10.3	7.3	5.9	5.1	4.6	3.7	3.2	2.9	2.6	2.3	2.0	1.9
40% or 60%	11.0	7.8	6.3	5.5	4.9	4.0	3.5	3.1	2.8	2.4	2.2	2.0
50%	11.2	7.9	6.5	5.6	5.0	4.1	3.5	3.2	2.9	2.5	2.2	2.0

¹The figures in this table represent two standard errors. Hence, the chances are 95 in 100 that the true percentage lies within a range equal to the observed percentage, plus or minus the sampling error.